

2024
SUSTAINABILITY
REPORT

FREELAND

Let's travel in **FREELAND**
A journey with values,
projects and people at
each step.

An evolving path based
on a solid past, which
embraces the future with
determination.

09.	ESRS REFERENCES
08.	METHODOLOGICAL NOTE
07.	OUR GOVERNANCE
06.	SOCIAL
05.	ENVIRONMENT
04.	SUSTAINABILITY
03.	FREELAND: WHO WE ARE
02.	HIGHLIGHTS
01.	LETTER TO STAKEHOLDERS
	CONTENTS

1. Letter to stakeholders	5	5. The environment	25	7. Governance	63
2. Highlights	7	5.1 _ Climate change	26	7.1 _ Business ethics and conduct	65
3. Freeland: who we are	9	5.2 _ Pollution	31	7.2 _ Governance structure	65
3.1 _ Our history	9	5.2.1 _ Greenhouse gas emissions	31	7.2.1 _ Strategic objectives and management principles	66
3.2 _ Our corporate values	11	5.2.2 _ Restricted substances and zero discharge of hazardous chemical (ZDHC) protocol	32	7.2.2 _ Governance Model	66
3.3 _ Business model and organization	12	5.3 _ Water and marine resources	34	7.2.3 _ Board of Directors	67
3.4 _ Our certifications	12	5.4 _ Biodiversity and ecosystems	35	7.2.4 _ Auditor	67
4. Sustainability	14	5.5 _ Circular economy	36	7.2.5 _ Board of Statutory Auditors	67
4.1 _ The value chain	14	5.6 _ Reporting of environmental objectives and future perspectives	41	7.2.6 _ Supervisory Board - Model 231	67
4.2 _ Stakeholders	16	6. Social accountability	44	7.3 _ Anti-corruption and transparency	69
4.3 _ Double materiality	19	6.1 _ The people, our strength	45	7.3.1 _ A structured risk prevention system	69
4.3.1 _ Changes with respect to 2023	22	6.1.1 _ Protection of human rights	46	7.3.2 _ Commitment to stakeholders	69
4.4 _ Connection with the 2030 Agenda	23	6.1.2 _ Employment, diversity & inclusion	47	7.4 _ Alignment with EUDR	71
		6.1.3 _ Freedom of labour	50	7.5 _ Reporting of governance objectives future challenges	72
		6.1.4 _ Occupational Health & Safety (OHS)	54	8. Methodological note	74
		6.2 _ Our supply chain	56	9. ESRS References	75
		6.3 _ Connection with our community	58		
		6.4 _ Consumers	59		
		6.5 _ Reporting of social goals and future perspectives	60		



1. Letter to Stakeholders

For us, doing business responsibly means to be aware of the social, environmental and economic impacts a company may have and be able to organize it in such a way as to minimize its negative effects and continuously seek to create positive ones.

This notion is based on a strong belief, moral obligation and generational responsibility that we should pass on to our children, as a new approach aimed at protecting the world by preserving the environment and the social and economic development of our planet.

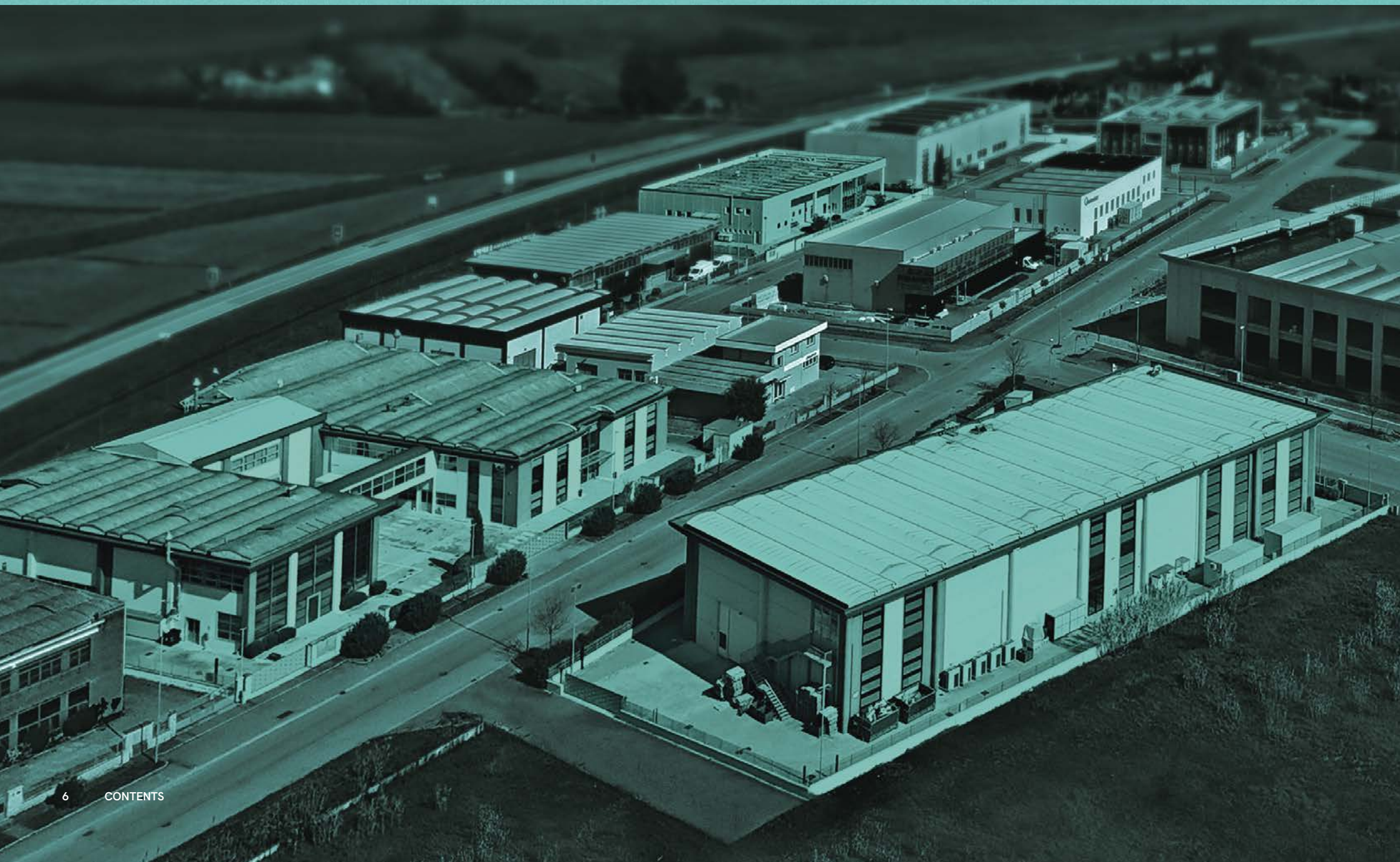
We want to underline, once again, the valuable collaboration of all the players involved in the Freeland system: employees, partners, service providers and contractors – all the people who are always ready to share information and change their habits for the sake of a better future – and our customers, an inexhaustible source of good practices and driving philosophies.

The year 2024 has been a complex year for Freeland, and for the footwear industry as a whole, due to the global socio-political and economic scenario. This resulted in a significant drop in the quantities ordered, and consequently in turnover. This did not affect Freeland's policies and operations, as we continued working with a strong focus on design and investment in the various topics connected with sustainability. This 2024 Voluntary Sustainability Report offers a clear picture of the continuous effort we put in advancing the goals defined in our 2023 Sustainability Report and then describes the new goals we set ourselves in these times of deep changes in the manufacturing industry, both within Freeland and in the entire fashion system.

Enjoy your reading!

CEO & Chairman
Giacomo Tiezzi





2. Highlights

Gender quota

172

Female employees in 2023: 146
+18% compared to 2023

Employee training hours

1,100

Hours in 2023: 790
+39% compared to 2023

2024 turnover

€ 74,669,671

2023 turnover: € 83,534,762
-10.61% compared to 2023

Employee increase

276

Employees in 2023: 227
+21.59% compared to 2023

Community suppliers

50%

Suppliers 2023: 48%
+2% compared to 2023

Investments in 2024

€ 5,121,423

Investments 2023: € 2,293,829
+123.27% compared to 2023

Supplier audits

23

Supplier audits in 2023: 25
-8.00% compared to 2023

Support to volunteering organizations
and social cooperatives

€ 20,000

Support to organizations in 2023: € 17,000
+17.64% compared to 2023

Pairs produced

434,000

Manufacturing in: 472,000
-8.05% compared to 2023

SECTION

3

3. Freeland: who we are

Freeland S.r.l. is a limited-liability company that manufactures footwear for major national and international brands. We have approximately 280 employees who work in our 4 sites located in 4 different street addresses: Via Giovanni da Verrazzano, Via Fogar, Via Caboto, and Via Falcone, all in the municipality of Fucecchio (province of Florence, Italy).

3.1 OUR HISTORY

2000

Freeland S.r.l. was founded in 2000 with operational headquarters in Fucecchio (via Galilei).

2006

With the development and increase of our operations, between 2005 and 2006 we moved to our current location in “Via G. da Verrazzano” and, in the same year, we obtained the ISO 14001 certification for our Environmental Management System.

2009

The SA8000 certification is obtained. At the beginning of the year 2009, we started using the warehouse located at street numbers 10 and 12 as a new building for our pattern-making operations.

2015

In via Ambrogio Fogar, in Fucecchio, we started the construction of the third building, to be mainly used as a control centre where goods and semi-finished products are sorted, as well as a warehouse for raw materials.

2016

We merged with Ypsilon Calzature S.r.l.

2017

The two “via G. da Verrazzano” buildings are connected by an elevated walkway.

2018

Purchase of a new production site in via Caboto, where we transferred our manufacturing facility that was previously located in via Galilei.

2020

Between 2019 and 2020, the two buildings of via G. da Verrazzano were combined into a one newly built “Special Processing” department, subsequently transferred to the new local unit of via Falcone in Fucecchio (2022).

2023

In September 2023, the new Upper Construction Department was set up in the premises of via Fogar.

2024

Initial investment in a new production site of about 10,000 square meters.



THE NEW ORGANIZATIONAL MODEL

In recent years, Freeland has undertaken a process of rationalization and revision of its manufacturing and logistics spaces, with the aim of improving their efficiency, reducing their environmental impact, and encouraging a more integrated organization of operations. The initial layout of our operations included 5 distinguished sites: the “Via Giovanni da Verrazzano” building housed the pattern-making department, the assembly and finishing departments, and the warehouse; stores of raw materials, as well as the cutting and upper construction departments, were in “Via Fogar”; a second footwear assembly and finishing department, with its own warehouse, was located in the “Via Caboto” unit; and finally, special processes (silk-screen printing, pad printing, embroidery) and upper dyeing operations took place in the “Via Falcone” 1 and 2 sites, respectively. We are planning to complete the reorganization of our operating sites in 2026, to improve process efficiency, reduce internal travelling, and facilitate a more sustainable management of resources.

The new layout will include the following:

- Concentration of the footwear pattern-making, assembly and finishing processes in the “Via Giovanni da Verrazzano” site, which also houses the main warehouse
- Maintenance of the store of raw materials in the “Via Fogar” building
- Use of the “Via Caboto” building for the storage of boxes and equipment
- Creation of an integrated centre in “via Vasco da Gama”, where the cutting, upper construction, special processing (screen printing, pad printing, embroidery) departments will be organized together with the footwear assembly and finishing departments and the warehouse

This new configuration will enable synergies between departments, optimize production flows and reduce the environmental impact of the previous fragmentation of our company, to lay the foundations for a more innovative and sustainable development model.

3.2 OUR CORPORATE VALUES

Freeland's mission is to create high-quality products with a focus on the satisfaction of both our customers and all our internal and external stakeholders. For us, quality and sustainability go hand in hand: every choice we make will respect the environment, people, and comply with good management rules.

The values that inspire our company are not just abstract principles, but rather a tangible basis on which to set growth goals and plans. These values have been translated into official documents like our Code of Ethics and corporate policies, which provide a clear reference for our employees and all the partners we work with. To ensure consistency and seriousness, we use management systems and control models that allow us to review our quality, environment, safety and social responsibility objectives every year. To support this commitment, Freeland has been certified to internationally recognized standards, such as SA8000, ISO 14001 and ISO 45001 for years.

The publication of the Sustainability Report stems precisely from an intent to state what we do clearly and transparently, how we convert our values into tangible actions, which results we achieve and how we measure them. This report highlights the constant attention we pay to the People, human rights and the environment by reducing the impact of our operations.

Finally, our commitment is not confined within our company's walls, but also involves the entire manufacturing chain, because this is the only way to build a lasting and sustainable development together.



3.3 BUSINESS AND ORGANIZATIONAL MODEL

Freeland can fully meet the expectations of customers by offering both the design and development of products (where requested) and the manufacturing of a wide range of footwear for both men and women. Since its foundation in 2000, the company has built up a wealth of skills and experience that allows it, today, to be a reference partner for some of the most important international fashion brands.

Our strength stems from a combination of tradition and innovation: alongside the craftsmanship that has always characterized the footwear sector, we have combined a modern industrial mentality, supported by advanced technologies. This balance of craft and innovation is one of Freeland's key success points.

Over time, our internal structure has evolved to include all the functions necessary to oversee every step of the business process. Training and the development of human skills have always played a central role in building a competent and motivated team, capable of meeting the new challenges of the industry.

To ensure organization and efficiency, we adopted management tools and control models inspired by important national and international regulations (SA8000, ISO14001, ISO45001, Italian Legislative Decree no. 231-01). These tools provide concrete guidance for process governance, while the work of the Certification Bodies and our Supervisory Board ensure further control and promotes continuous improvement.

The central role of persons is another fundamental aspect: the protection of workers, the maintenance of a positive work environment and a strong focus on safety are ensured through recurring and tangible initiatives that strengthen the relationship between the company and its employees.

In addition to our internal resources, a key role is played by our Suppliers, who ensure the availability of raw materials (such as leathers, textiles and accessories), while ensuring dynamism, speed and professionalism. Although the Brand - our Client - is often the party who directly selects materials and accessories, Freeland retains full responsibility for the processing. Every manufacturing phase is selected, monitored and controlled to ensure high-quality final products and compliance with the most stringent industry standards.

3.4 OUR CERTIFICATIONS

In order to ensure a sustainable development, over the years Freeland has adopted an integrated management system aimed at obtaining the following certifications:

ISO 14001 - a process started on 12 December 2006 for our sites of "Via Giovanni da Verrazzano" and "Via Ambrogio Fogar".



SA8000 - a process started in 2009 for all our manufacturing sites.



ISO 45001 - a process started on 23 July 2020 for our "Via Giovanni da Verrazzano" and "Via Ambrogio Fogar" sites.



4

13 CONTENTS

4. Sustainability

4.1 THE VALUE CHAIN

The manufacturing and value creation chain consists of **two main flows: the development of prototypes and samples** (pattern-making) and the **manufacturing of footwear**.

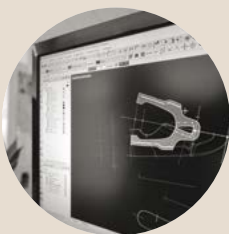
Each phase of the chain involves various stakeholders inside and outside the company, whose expectations and requests may vary and may impact social, environmental and governance issues in several different ways.



Development



DESIGN



PATTERN PREPARATION



PROTOTYPING



FAULT IDENTIFICATION



PATTERN BOOK



INDUSTRIALIZATION



ANCILLARY PROCESSES



CUTTING



RECEPTION AND CONTROL
OF MATERIALS



ORDER OF SUPPLIES



CREATION OF BILLS
OF MATERIALS



UPPER STITCHING



STROBEL SEWING



ASSEMBLING



FINISHING



PACKAGING

Production

4.2 STAKEHOLDERS

For Freeland, an effective management of sustainability always starts from listening to and understanding those who interact with us. For this reason, we carried out an in-depth analysis of the characteristics, expectations, and needs of our stakeholders, i.e., all those individuals, groups, or organizations that may be positively or negatively affected by our operations.

We identified and analysed all our stakeholders - internal (employees and contractors) and external (customers, suppliers, local communities, institutions).

For each of them, we assessed:

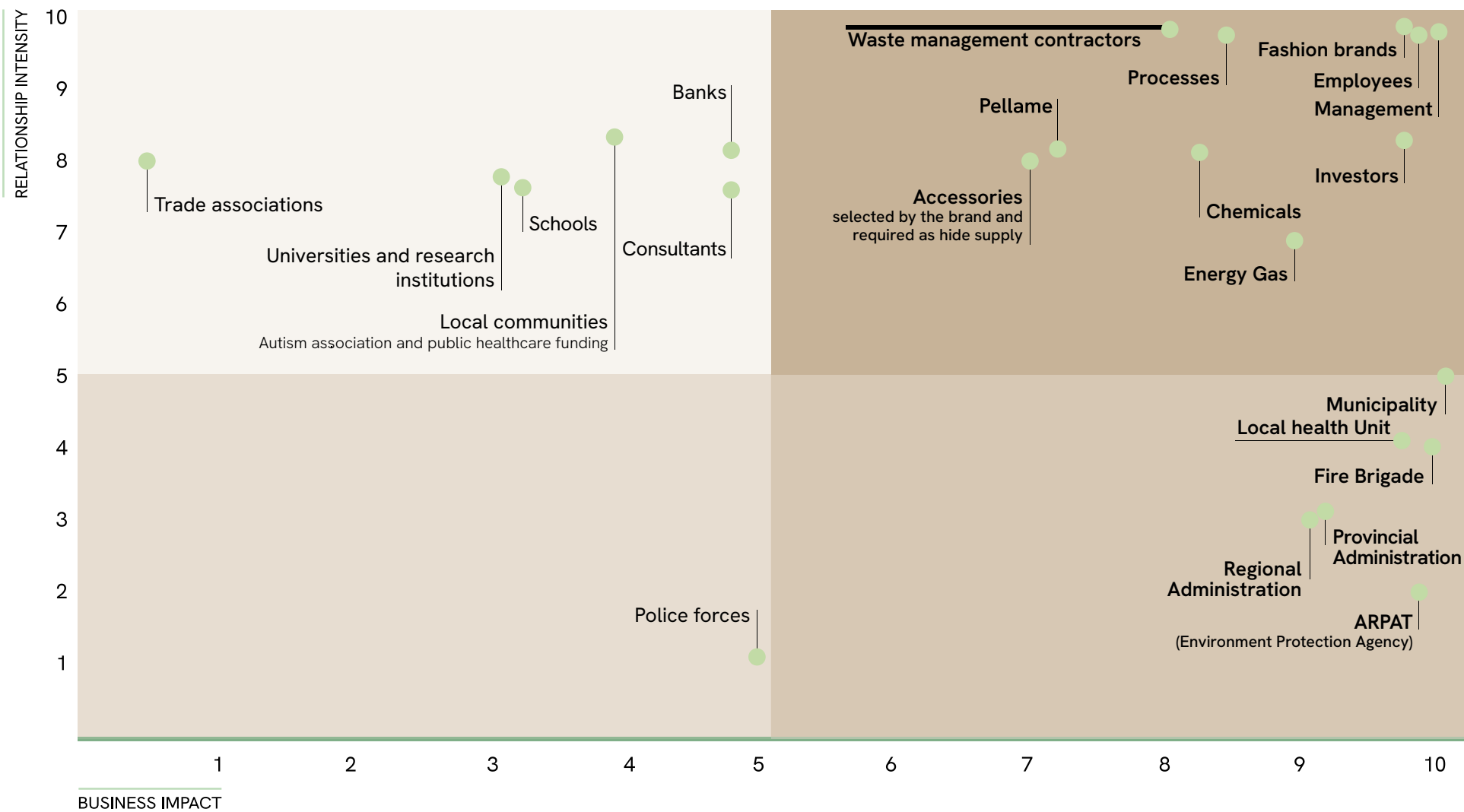
- The level of influence on our company
- The intensity of our relationships with each stakeholder throughout the year

For a clearer and more objective analysis, we defined two indicators:

- Impact: the extent to which each stakeholder can affect our choices and outcomes
- Intensity: the frequency and significance of our relationship with each stakeholder

Both indicators were measured with a score from 1 to 10.
The combination of these two values allowed us to determine how relevant each stakeholder is to Freeland.

PUBLIC ENTITIES AND INSTITUTIONS	Region Province Municipality Effluent treatment system Industry association ARPAT [Environment Protection Agency] USL [Local Health Unit] Fire Brigade Banks Police forces
LOCAL COMMUNITIES AND ASSOCIATIONS	Universities and research institutions Schools Local communities
CLIENTS	Fashion brands Investors
SUPPLIERS	Hides Chemicals Accessories Processes External consultants Energy and gas Waste managers
WORKFORCE AND MANAGEMENT	Employees Management External partners



This mapping resulted in a clear picture of Freeland's relationships, with the main stakeholders categorized into four groups. This classification is presented with a quadrant diagram, where the most important stakeholders are highlighted.

Building on the experience gained with the first ESRS Sustainability Report, Freeland decided to address the requirements of the Corporate Sustainability Reporting Directive (CSRD) with an even more structured approach: a direct evaluation of material issues, involving the identified stakeholders in person.

This involvement was achieved through the administration of specific questionnaires based on the main ESG (environmental, social and governance) issues. To collect more accurate information, the questions were differentiated according to whether they were directed at internal or external stakeholders.

This approach allowed the company to receive relevant and meaningful responses from all the identified categories. The information collected made it possible to carry out a materiality assessment, or more precisely a double materiality assessment, which is a fundamental tool to understand both the impact of business operations on stakeholders and, conversely, the influence of stakeholders on the company.

Our internal and external stakeholders have been identified and assessed with the purpose of determining their level of influence and degree of interaction with our company.



4.3 DOUBLE MATERIALITY

In the second year of our ESRS Sustainability Report, Freeland confirmed the adoption of the principle of double materiality, defined in ESRS 1 – General requirements, as a key requirement for sustainability reporting.

Compared to the first year, the materiality assessment has been further refined by integrating a more structured analysis of our environmental and social, but also financial impact, as required by the new standards.

The analysis distinguished between the external factors that influence the company (outside-in) and the internal factors that influence the external environment (inside-out). Following this approach, we consolidated a process that was already started last year, enriched today with a greater methodological depth.

Consulting our stakeholders provided us with updated and more targeted information, which was useful to identify priority outside-in topics. In parallel, we conducted a systematic assessment of the impact of our operations according to the criteria set out in the CSRD, i.e., the severity and remediability of the impact, the coverage of the entire value chain, and the likelihood of occurrence (inside-out).

Combining these two perspectives led to the definition of the level of materiality of the different topics, which were classified as:

High	materiality topics
Medium	materiality topics
Low	materiality topics

Freeland’s 2024 reporting has focused on high materiality topics, with specific insights on medium materiality topics where useful for the development of a dialogue with stakeholders or for internal improvement opportunities.

The progressive consolidation of this methodology has allowed Freeland to better identify sustainability priorities and topics with a greater awareness today, without neglecting those topics that, in spite of their lower impact, still offer valuable insights for the future evolution of our business strategy.

TOPIC 'ENVIRONMENT'	SUB-TOPIC 'ENVIRONMENT'	MATERIALITY LEVEL
ESRS E1 Climate change	Adaptation to climate change	Medium-high
ESRS E1 Climate change	Mitigation of climate change	Medium-high
ESRS E1 Climate change	Reduction of energy consumption	High
ESRS E2 Pollution	Air	High
ESRS E2 Pollution	Water	Medium
ESRS E2 Pollution	Soil	Medium
ESRS E2 Pollution	Living organisms	Medium
ESRS E2 Pollution	Substances of concern	Medium-high
ESRS E2 Pollution	Microplastics	Medium
ESRS 3 Water and marine resources	Withdrawal/discharge	Medium
ESRS E4 Biodiversity and ecosystems	Direct impact on loss of biodiversity	Medium-low
ESRS E4 Biodiversity and ecosystems	Impact on the state of the species	Medium-low
ESRS E4 Biodiversity and ecosystems	Impact on the extent and condition of ecosystems	Medium-low
ESRS E 5 Circular economy	Waste	High
ESRS E 5 Circular economy	Resource inflows and outflows	High

SOCIAL TOPIC	SOCIAL SUB-TOPIC	MATERIALITY LEVEL
ESRS S1 Own workforce	Working conditions	High
ESRS S1 Own workforce	Equal treatment and opportunities for all	High
ESRS S1 Own workforce	Other labour-related rights	High
ESRS S2 Workers in the value chain	Working conditions	Medium
ESRS S2 Workers in the value chain	Equal treatment and opportunities for all	Medium
ESRS S2 Workers in the value chain	Other labour-related rights	Medium
ESRS S3 Affected communities	Economic, social and cultural rights of communities	Low
ESRS S3 Affected communities	Civil and political rights of communities	Low
ESRS S3 Affected communities	Rights of indigenous peoples	Low
ESRS S4 Consumers and end-users	Legal impacts on information	Medium
ESRS S4 Consumers and end-users	End-users' health and safety	Medium-high
ESRS S4 Consumers and end-users	Non-discrimination	Medium
GOVERNANCE TOPIC	GOVERNANCE SUB-TOPIC	MATERIALITY LEVEL
ESRS G1 Business conduct	Corporate culture	Medium-high
ESRS G1 Business conduct	Protection of whistleblowers	Medium-high
ESRS G1 Business conduct	Animal wellbeing	Medium-high
ESRS G1 Business conduct	Management of relationships with suppliers (including payment practices)	Medium-high
ESRS G1 Business conduct	Corruption and bribery	Medium-high

4.3.1 CHANGES WITH RESPECT TO 2023

The assessment, carried out in collaboration with stakeholders, also allowed for a comparison with the results obtained last year.

Compared to 2023, materiality was assessed with slightly different questions, in order to consider the perspectives of all respondents on the covered topics, as there was no need to specifically know the reporting scheme used.

TOPIC	SUB-TOPIC	RISULTATO 2023	RISULTATO 2024
ESRS E1 Climate change	Mitigation of climate change	High	Medium-High
ESRS E2 Pollution	Water	Medium-High	Medium
ESRS E 5 Circular economy	Waste	Medium-High	High
ESRS S1 Own workforce	Other labour-related rights	Medium-High	High
ESRS S4 Consumers and end-users	End-users' health and safety	Medium	Medium-High
ESRS G1 Business conduct	Animal wellbeing	Medium	Medium-High
ESRS G1 Business conduct	Corruption and bribery	Medium	Medium-High

The results obtained showed really minor differences compared to last year, with only slightly differing scores - from high to medium-high level or vice versa - also for minor criticalities. This reflects an improved ability to assess the topics concerned in this second year of reporting, both for Freeland and for the stakeholders who filled out the questionnaires. As a consequence, results can be expected to remain stable over time, unless there are significant changes in the general business or industry context. It should also be noted that the topics for which the level of materiality increased had nonetheless been addressed in the previous sustainability report.

4.4 CONNECTION WITH THE 2030 AGENDA

With an increasingly transparent, consistent and long-term-oriented accountability in mind, we elected to highlight, in the following sections, the connection of our strategies, analyses and results with the Sustainable Development Goals (SDGs) defined by the United Nations' 2030 Agenda.

This choice stems from a desire to position our actions within a globally recognized reference framework that promotes a balanced development model of economic growth, social inclusion and environmental protection.

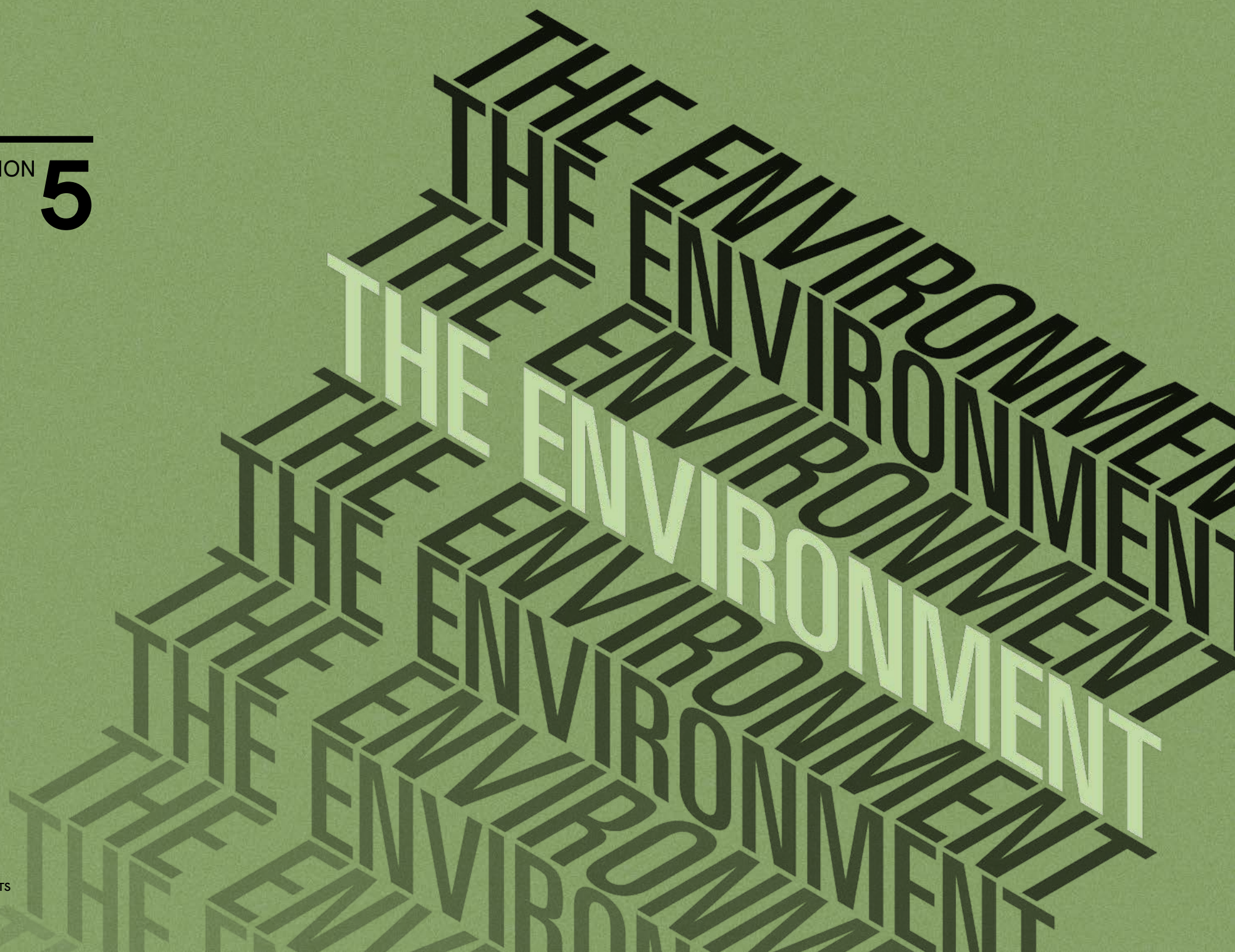
Through this approach, we aim to show how our initiatives are making a real contribution to achieving global sustainability goals, strengthening the link between our business performance and the positive impact it generates on the community, the people and the environment.

Identifying links with the individual SDGs also makes it easier to read the Report, offering a comprehensive view of the interrelationships between goals, actions and results, in line with our sustainability strategy and with the values that guide our decisions.



SECTION

5



5. The environment

Consistently with the United Nations' established principles and with SDGs, Freeland considers responsible the management of our actual and potential environmental impact as an essential component of our growth. The awareness that the success of a business cannot be detached from the protection of the natural capital and from an efficient use of resources is now embedded in the organization's long-term strategy.



A long-standing experience in environmental management has enabled Freeland to establish a structured governance and monitoring system capable of identifying and assessing the impact generated by its operations in a preventive manner. Such a system incorporates both environmental risk and the opportunities offered by innovation and the continuous improvement of manufacturing and organizational processes.

The analysis and assessment tools adopted today allow Freeland to use a comprehensive set of environmental indicators, in line with the requirements of international standards and stakeholders' expectations. These indicators, which cover areas such as climate-changing emissions, the consumption of natural resources, waste management, energy efficiency and the circular use of materials, provide an objective and transparent basis for monitoring progress and measuring mitigated impacts.

Our monitoring system also allows us to:

- Assess the effectiveness of the actions taken and promptly correct trends
- Identify room for continuous improvement in internal processes
- Ensure compliance with the applicable legislation and with voluntary standards adopted
- Communicate transparently with stakeholders about the results achieved and the remaining challenges

This approach allows Freeland not only to reduce the risks arising from climate change and the environmental impact of its operations, but also to proactively contribute to achieving the SDGs, while strengthening our competitive resilience and reputation in the market.

5.1 CLIMATE-CHANGE

One of the main topics defined in the 2030 Agenda, also pursued by the European Union's policies, concerns the adoption of measures to prevent and mitigate climate change. Freeland analysed the impact of its operations from a climate change perspective starting from the identification of the most relevant topics and aspects deriving from both external (stakeholders) and internal sources.



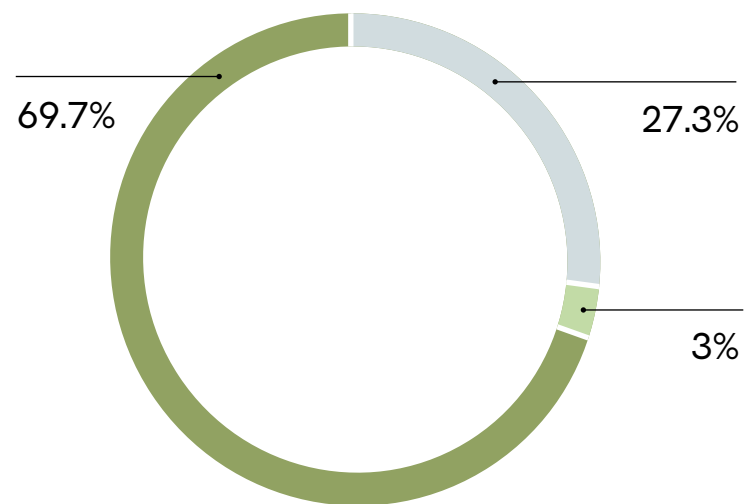
ESRS E1 (E-1 to E-9)

Which action do you consider most important to mitigate the impact of climate change?

33 answers

Internal Stakeholders' Questionnaire

- Disagree in the previous question
- Adaptation to climate change
- Mitigation of climate change
- Reduction of energy consumption



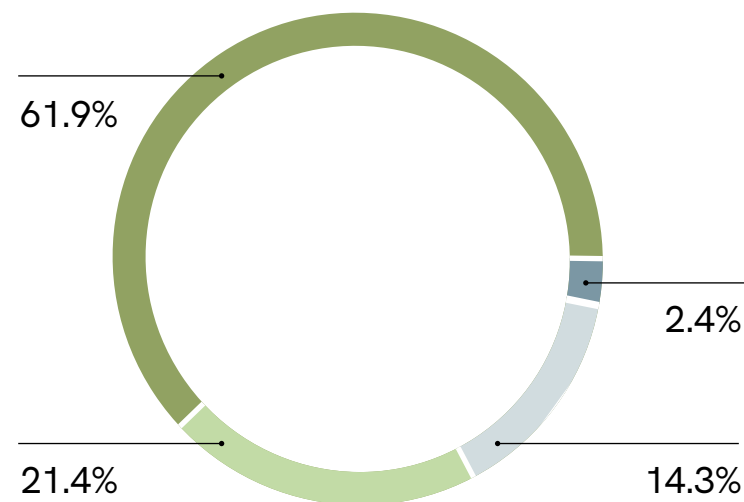
ESRS E1 (E-1 to E-9)

Which action do you consider most important to mitigate the impact of climate change?

42 answers

External Stakeholders' Questionnaire

- Disagree in the previous question
- Adaptation to climate change
- Mitigation of climate change
- Reduction of power consumption



As last year, the topic of climate change stood out clearly as a top priority for Freeland's stakeholders. This sensitivity is directly linked to two key factors: on the one hand, the energy mix used in the manufacturing processes and, on the other hand, the amount of greenhouse gases emitted into the atmosphere throughout the value chain.

For our company, climate change is not only a matter of environmental stewardship, but also a strategic issue that affects business continuity and industrial resilience. The effects of global warming and extreme weather events have a direct impact at local level, and affect the availability of natural resources, the stability of supplies and the safety of production sites.

In line with the priorities defined by the European Union and with the Paris Agreement, Freeland set up an action plan based on three main pillars:

- 1. Strengthening our resilience and capacity to adapt** to the risks related to climate change and natural disasters, through a regular assessment of climate scenarios and physical and transition risks
- 2. Mainstreaming a climate strategy in our corporate policies**, with serious emission mitigation objectives and a progressive alignment with the European climate neutrality target for 2050
- 3. Training and awareness of human resources**, to disseminate knowledge and skills on climate change mitigation, adaptation and reduction, as well as alert and prevention programs

In support of this journey, Freeland's ISO 14001 certified environmental management system enables us to systematically collect and monitor our energy consumption data, distinguishing between the different sources used and measuring our CO2 equivalent emissions. The analysis of the energy mix is used as a lever to increase the share of energy from renewable sources and gradually reduce our dependence on fossil fuels.

In addition to monitoring internal data, Freeland has launched assessment activities as recommended by the Task Force on Climate-related Financial Disclosures (TCFD), which include the following:

- Assessment of physical risks (e.g., extreme weather events, heat waves, water stress) that may affect facilities and logistics
- Estimation of transition risks arising from regulatory changes, policies and changes in consumer preferences
- Identification of opportunities related to energy efficiency, product innovation and emission reduction

This integrated approach allows Freeland to reduce its contribution to climate change, while protecting itself from the impacts it can have on its operations. The climate strategy is therefore a central element of our sustainability strategy, as it will strengthen our credibility vis-à-vis stakeholders and consolidate our competitive resilience in the long term.

The contribution in terms of energy consumption is given below for the various vectors used:

- Power
- Methane gas
- Diesel fuel for company vehicles

TYPE	UNIT	2022	2023	2024
Gas	M3	24,956	17,400	16,583
Energy	KwH	1,219,315	1,199,935	1,323,538
Power from solar panels	KwH	0.00	0.00	0
Diesel	Liter	13,129	14,012	14,538
Gasoline	Liter	0.00	0.00	0

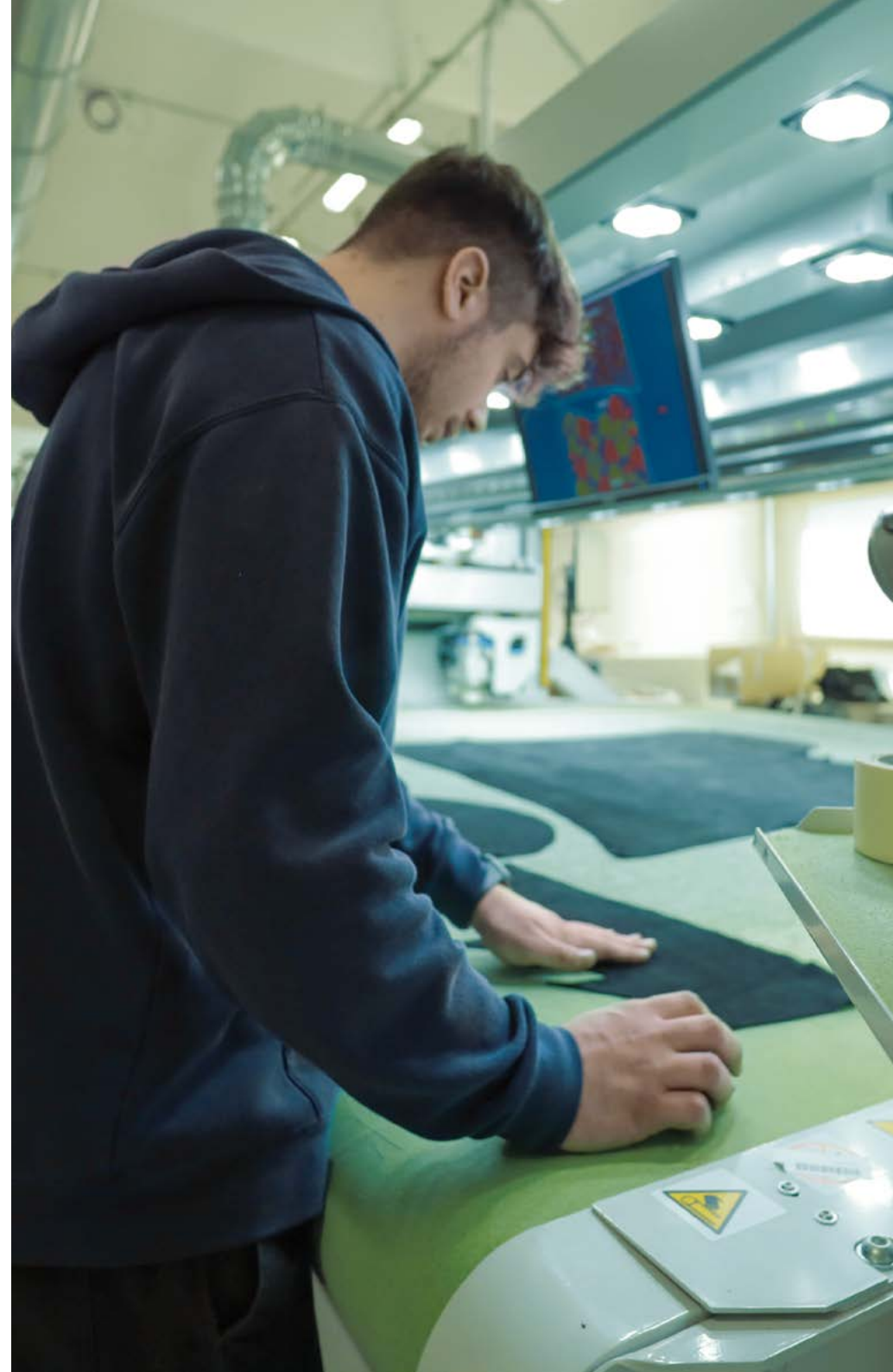
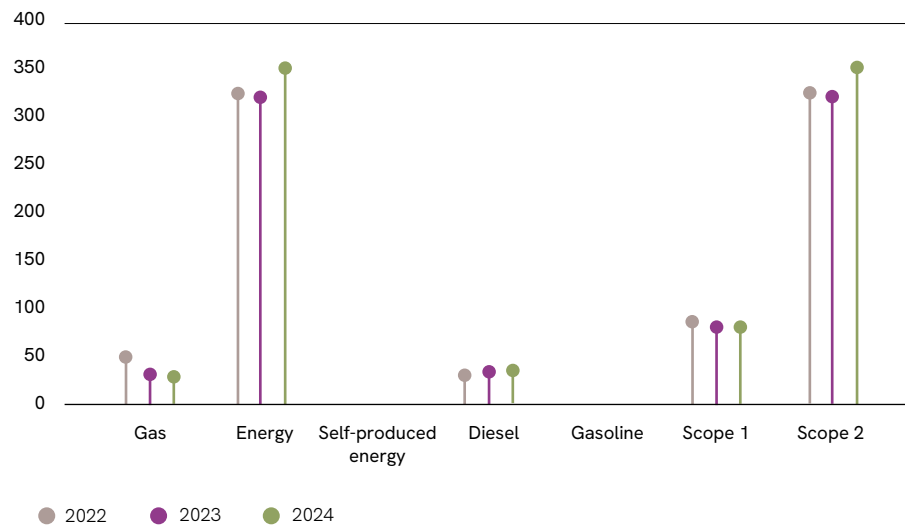
To report on our greenhouse gas emissions, we used data on energy consumption and fuels used, transformed into CO2 equivalent (CO2E) values with the use of internationally recognized emission factors.

CO2 emissions have been determined for Scopes 1 and 2 as required by the GHG Protocol and the European Reporting standards (ESRS):

- **Scope 1 emissions:** direct emissions occur from sources owned or controlled by the company. They include fossil fuel combustion for heating, fuels used by the company's fleet, and emissions from industrial processes. Consumption data (expressed, for example, in liters of diesel fuel, cubic meters of methane or kWh of thermal energy produced) are multiplied by the corresponding emission factors defined by official databases (i.e., IPCC or ISPRA in Italy), thus obtaining the amount of CO2e emitted.
- **Scope 2 emissions:** indirect emissions that occur through the use of purchased electricity, steam, heat, or cooling. Even in this case, the starting point is consumption data (expressed in kWh), which are converted into CO2 emissions and through specific emission factors linked to the national or supply energy mix.

All these calculations provide a comprehensive and measurable picture of the direct and indirect impact of the company in terms of climate-altering emissions. These results are then reported in the Sustainability Report, providing the basis for the definition of emission reduction goals and for the monitoring of progress towards a climate transition.

TYPE	UNIT.	2022	2023	2024
Gas	TonCO ₂ eq	50.41	35.30	33.65
Energy	TonCO ₂ eq	326.78	321.58	354.71
Power from solar panels	TonCO ₂ eq	0.00	0.00	0.00
Diesel	TonCO ₂ eq	41.61	44.40	46.07
Gasoline	TonCO ₂ eq	0.00	0.00	0.00
Scope 1	TonCO ₂ eq	92.02	79.71	79.72
Scope 2	TonCO ₂ eq	326.78	321.58	354.71



5.2 POLLUTION

According to ESRS standards, the topic of pollution includes the following sub-topics:

- Air pollution
- Water pollution
- Soil pollution
- Pollution of living organisms and food resources
- Substances of concern and substances of very high concern
- Microplastics

Not all of the above topics are applicable or materially relevant; therefore, Freeland's reporting is exclusively based on material aspects.

The emerging material topics are air pollution and the use of substances of concern or of very high concern (which are called 'restricted substances' or 'hazardous substances' in the industry, and can be used both in manufacturing processes and in semi-finished and finished products).

With regard to air pollution, this topic is again linked to the emission of greenhouse gases that can cause climate change. There is no other material cause of air pollution originated by our operations.



5.2.1 GREENHOUSE GAS EMISSIONS

While they are not material, environmental aspects related to emissions into the atmosphere generated by our production cycle are carefully and constantly monitored, in full compliance with the applicable legislation.

Our manufacturing facilities have obtained a specific permit called Autorizzazione Unica Ambientale (AUA), which consistently regulates all our emissions and the related requirements. As part of this permit, Freeland is regularly audited by competent bodies and qualified technical structures with the aim of ensuring compliance with emission limits and maintaining high environmental standards.

In support of these activities, Freeland has implemented dedicated procedures within its Environmental Management System (EMS), certified under ISO 14001, which define operating procedures, responsibilities and monitoring frequencies. This structured approach ensures a timely and continuous control of emissions, thus encouraging the improvement of environmental performance and the air quality protection in the Tuscan territories where we operate.

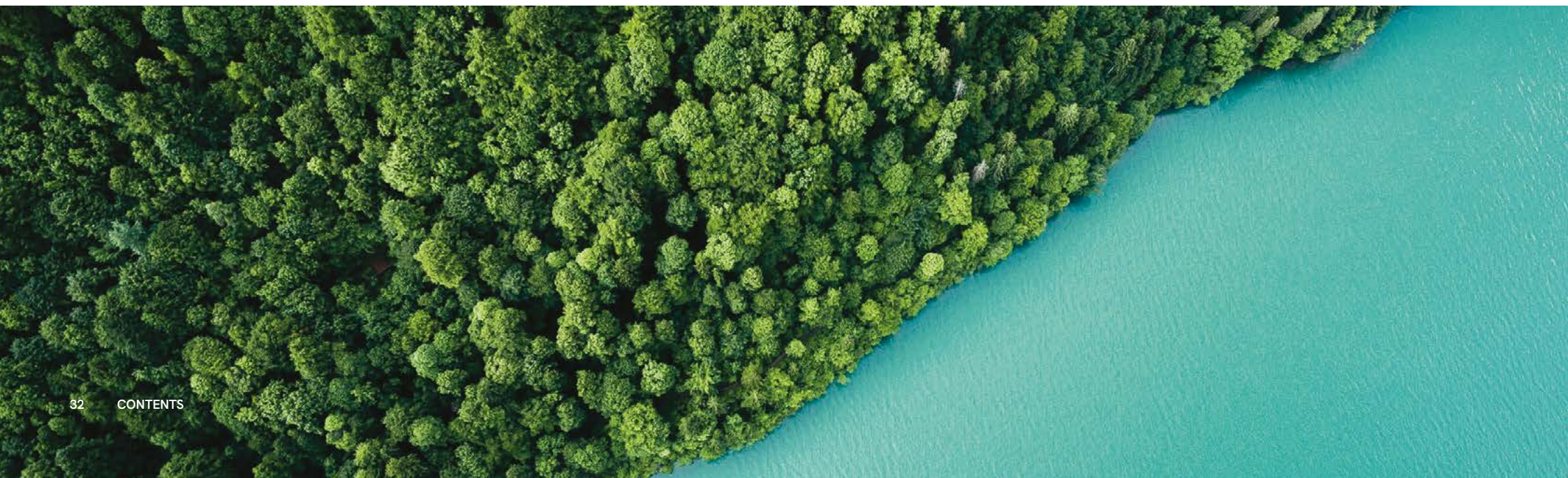
5.2.2 RESTRICTED SUBSTANCES AND ZERO DISCHARGE OF HAZARDOUS CHEMICALS (ZDHC) PROTOCOL

The ZDHC (Zero Discharge of Hazardous Chemicals) protocol, launched in 2011 and signed by many international fashion brands and organizations, was created with the aim of progressively eliminating the use of chemicals that are dangerous for human health and for the environment in the entire manufacturing chain.

The core of the protocol is the ZDHC Manufacturing Restricted Substances List (MRSL), a list of the substances not to be used intentionally in the manufacturing stages of textiles, leathers and accessories. This tool is a shared resource to drive businesses towards safer and more sustainable processes.

The growing focus of major luxury brands on the responsible management of chemicals has pushed the entire supply chain to implement structured chemical management systems, often supported by internationally recognized certification schemes.

Freeland recognizes the importance of a structured and transparent approach to chemical management as a key element for the sustainability and safety of its processes and is committed to keep identifying the most effective ways to implement it in the future.





5.3 WATER AND MARINE RESOURCES

The topic of the use of water resources maintains a role at global level, just as climate change and the management of energy supplies. Water is a primary commodity for local, national and international communities, and the CSRD recognizes its strategic importance, requiring companies to report on this topic with no room for omissions or postponements.



In the specific case of Freeland, the materiality analysis carried out in 2024 confirms what had already been found in the previous year: the materiality of this topic is classified as 'low'. This classification is based on the data collected, which show that our company does not use water in its manufacturing processes, but only for sanitation and hygienic services for the staff and corporate facilities.

Water is exclusively supplied by public networks, with no direct impact on surface or groundwater supplies and no withdrawal for industrial use. This feature significantly reduces the potential environmental risks associated with water consumption.

However, in spite of this minimal impact, Freeland monitors its consumption of water continuously and has added this topic to its ISO 14001 certified EMS. This approach allows us to:

- Prevent waste and inefficiencies
- Make employees aware of a conscious use of water
- Ensure compliance with the applicable legislation and good environmental practices

As no substantial changes were made to our processes or to the use of water resources during 2024, Freeland confirms that this topic remains at a 'low' materiality level. Nevertheless, we confirm our focus on a responsible management of water, in the awareness that it is a critical factor for sustainable development globally, even where the impact of the individual business is minimal.

5.4 BIODIVERSITY AND ECOSYSTEMS

The topic of the loss of biodiversity and its impact on ecosystems is a major global challenge today. The CSRD recognizes this topic as crucial for a sustainable development, requiring companies to include an assessment of their exposure and potential impacts.



The materiality analysis carried out by Freeland in 2024 confirms that, in the operational context of the company, this issue was not material. This means that, depending on the characteristics of the activities carried out and the reference value chain, Freeland's direct impact on biodiversity and ecosystems is limited and not such as to require specific insights in reporting.

However, aware of the great importance of protecting biodiversity and of the increasing sensitivity of stakeholders for this topic, Freeland has still adopted a number of preventive and responsible management measures within its supply processes and relationships. In particular, Freeland introduced strict environmental clauses in supplier specifications, with the aim of minimizing indirect risks and contributing to a more sustainable supply chain. These clauses require suppliers to:

- Not supply materials originated from the animals listed in the Washington Convention (CITES, 3 March 1973), which regulates international trade in animal species and plants threatened with extinction
- Comply with the European REACH regulation concerning the manufacturing, marketing and use of hazardous chemicals and mixtures
- Not use hazardous or restricted substances, as required by the ZDHC (Zero Discharge of Hazardous Chemicals) protocol, aimed at preventing the release into the environment of chemicals that are harmful to aquatic and terrestrial ecosystems

Through these actions, Freeland intends to contribute indirectly, but tangibly, to the protection of biodiversity, promote high standards in its supply chain and strengthen the culture of environmental responsibility among its trading partners.

While the topic is not classified as a material for the specific business context, Freeland recognizes its strategic weight globally and maintains a commitment to supervise and continuously improve it, remaining ready to adapt its practices should the level of exposure or regulatory requirements change.

5.5 CIRCULAR ECONOMY

A correct management of resources is necessary to make production more efficient and avoid waste. For this reason, Freeland pays close attention to this topic and shares its priority with its partners.



As clearly proved by the information collected, our stakeholders are sensitive to activities related to a correct management and disposal of waste, including its reuse and recycling.

The totality of the answers received, both from external and internal questionnaires, agreed with the company's focus on this topic as a priority. For Freeland, an effective and correct management of waste is based on two main principles:

- A total compliance with the applicable legislation, which implies the strict implementation of legal obligations and best practices, to ensure appropriate treatment at all stages, from temporary storage to final disposal, through the control of our partners providing collection, transport and disposal services
- A progressive reduction of the environmental impact through the adoption of policies and procedures geared toward the recovery, reuse and recycling of materials, in line with the circular economy strategy promoted by the European Union

The analysis carried out in 2024 confirmed the continuity of the already implemented waste management practices, without any substantial change compared to the previous year. Freeland has continued to perform the operating procedures set out in its ISO 14001-certified EMS, which ensure a structured and recorded control of both incoming and outgoing waste streams.

The current waste data registration and management regulations have changed from the time of the last report. The Italian Ministry of the Environment and Energy Safety issued D.M. [Ministerial Decree] no. 59/2023 "RENTRI" [National Electronic Waste Tracking Register], which changed both the loading/unloading registration templates and the waste identification form.

Companies like ours are now required to register in the official web portal, as the previous paper registrations have been abolished in favour of digital registrations. Through a system of environmental indicators, alongside the required regulatory management, Freeland continuously monitors the generation, composition and final destination of our waste.

Another important aspect is our focus on relationships with our environmental service providers. We conduct periodic audits to ensure the compliance of these providers of waste collection, transport and disposal services with the applicable regulations, in order to ensure that waste is managed correctly and safely. Information on waste generated in 2023, broken down by EWC (European Waste Catalogue), has been used as a basis for comparison for 2024.

The stability of waste volumes and types confirms the consistency of our production processes and the continuity of the actions undertaken.

Although the materiality of the waste topic in our context is not among the highest, we recognize the importance of maintaining a responsible and proactive approach, while strengthening waste recovery practices and raising employee awareness of waste reduction and a correct differentiation of materials.

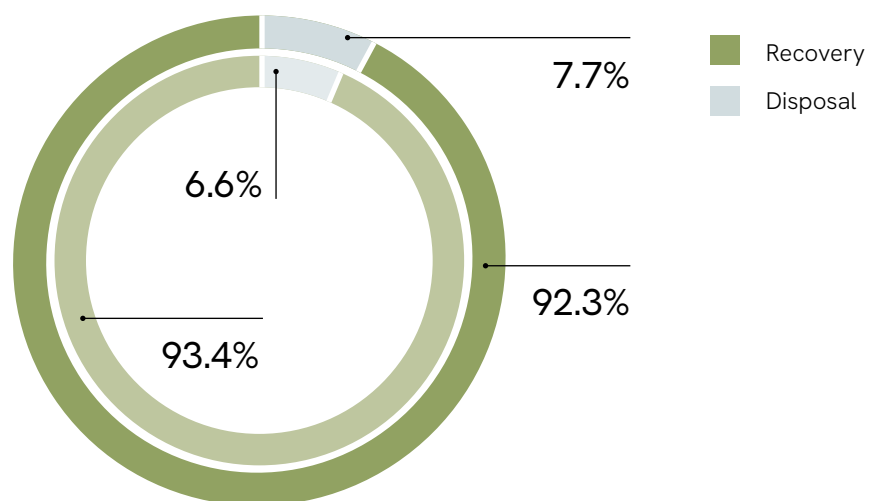
The table below shows the waste generated in the reporting period compared to the previous sustainability report:

GENERATED WASTE BY EWC (KG)	WASTE DESCRIPTION	2023	2024
04 01 99	Wastes not otherwise specified	77,900	77,160
15 01 02	Plastic packaging	5,840	10,125
15 02 02*	Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by dangerous substances	2,589	2,821
15 01 10*	Packaging containing residues of or contaminated by hazardous substances	2,227	1,828
16 02 16	Components removed from discarded equipment, other than those mentioned in 16 02 15	89	74
08 01 20	Aqueous suspensions containing paint or varnish other than those mentioned in 08 01 19	9,746	13,967
15 01 11*	Metallic packaging containing a hazardous solid porous matrix (for example, asbestos), including empty pressure containers	72	105
14 06 03*	Other solvents and solvent mixtures	1,333	1,434
16 10 02	Aqueous liquid wastes other than those mentioned in 16 10 01	3,019	3,434
16 03 04	Inorganic wastes, other than those mentioned in 16 03 03	208	0
04 01 09	Wastes from dressing and finishing	980	9,901
04 01 08	Waste tanned leather (blue sheetings, shavings, cuttings, buffing dust) containing chromium	49,008	60,335
15 01 03	Wooden packaging	36,800	35,560
04 02 22	Wastes from processed textile fibres	2,660	1,759

07 02 13	Plastic waste	0	15,980
16 05 04*	Gases in pressure containers (including halons) containing hazardous substances	0	25
16 02 13*	Waste from discarded electrical or electronic equipment containing hazardous components (WEEE)	0	57
16 02 14	Discarded electrical and electronic equipment containing no hazardous substances (non-hazardous WEEE)	0	1,119
08 04 09*	Waste adhesives and sealants containing organic solvents or other hazardous substances	0	692

New identification codes have been introduced since last year, allowing for a greater selection of identification codes, to increase diversification and detail for proper disposal.

Overall, kg of waste generated increased (+22.8% compared to 2023), but not by varying the % between disposal and recovery of wastes, which remains 92.3% of the total.



The traceability procedures and tools used make it possible to accurately trace the destination of waste, as follows:

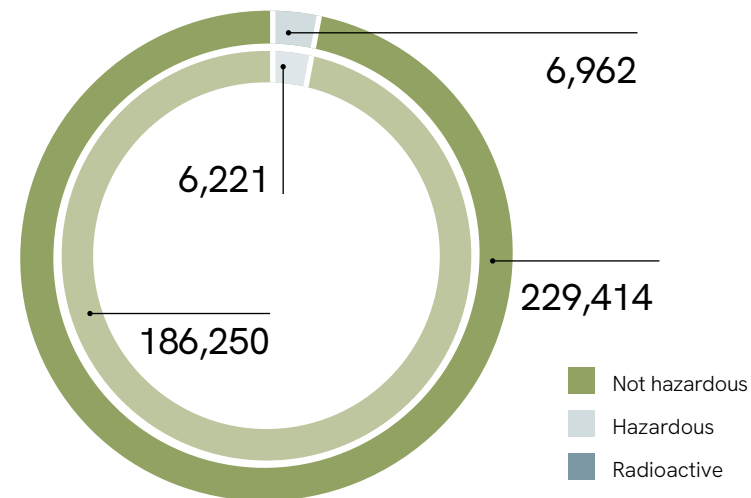
GENERATED WASTE BY EWC (KG)	WASTE DESCRIPTION	OPERATION
04 01 99	R12	RECOVERED
15 01 02	R12	RECOVERED
15 02 02	R12	RECOVERED
15 01 10	R13	RECOVERED
16 02 16	R5	RECOVERED
08 01 20	D9	DISPOSED OF
15 01 11	R13	RECOVERED
14 06 03	R12	RECOVERED
16 10 02	D9	DISPOSED OF
16 03 04	D14	DISPOSED OF
04 01 09	R12	RECOVERED
04 01 08	R12	RECOVERED
15 01 03	R13	RECOVERED
04 02 22	R12	RECOVERED
07 02 13	R12	RECOVERED
16 05 04	R13	RECOVERED
16 02 13	R13	RECOVERED
16 02 14	R13	RECOVERED
08 04 09	D14	DISPOSED OF

Please note that, of the 5 new codes identified, only one is disposed of, while the others are all recovered.

The share of non-hazardous waste produced by the company remained constant at 97.1% in 2024, increasing by a few tenths of a percentage point compared to 2023.

WASTE TYPE	2023 (KG)	2024 (KG)
Hazardous*	6,221	6,962
Not hazardous	186,250	229,414
Radioactive	0	0

WASTE TYPE	2023	2024
Hazardous*	3.2%	2.9%
Not hazardous	96.8%	97.1%
Radioactive	0.0%	0.0%



As to the assessment of the product life cycle, the long-term use of the footwear produced by Freeland is an important aspect, although it is difficult to quantify it due to external variables linked to consumer behaviour and market trends.

The longevity of our products can vary significantly depending on a number of factors, including:

- Specific use made by the end-user (daily, occasional or intensive use)
- Use of medium- to high-quality raw materials and accessories to meet the demands of the luxury sector
- Design of patterns, often influenced by rapidly changing fashion trends, which can affect the perception of current events, and therefore the duration of use
- Possibility of repair and maintenance by selecting materials and components that can be repaired after damage or wear
- Expansion of the second-hand and vintage markets, which extend the life cycle of products and increase their overall use value

As regards the end-of-life impact of footwear, the Italian context still shows a non-fully consolidated supply chain as to the treatment and reuse of textile and leather waste, although progressive development is seen. On the other hand, there is also an increase in circular economy initiatives aimed at promoting new solutions for the recovery and recycling of materials, in line with European strategies for sustainability in the textile industry.

Brands and customers are also playing an important role in this evolution, as the number of projects dedicated to using raw materials with a lower environmental impact and in more lasting ways is increasing. This approach strengthens the concept of product durability, which is assessed not only in aesthetic and functional terms, but also as a key element in reducing the overall environmental impact. In this scenario, the topics of product reusability, reparability and durability become increasingly central, and this encourages the spreading of new consumption patterns, while creating real opportunities in the second-hand and vintage markets.

5.6 REPORTING ON ENVIRONMENTAL OBJECTIVES AND FUTURE PERSPECTIVES

Building on our last year's report, Freeland is now presenting an update of its achievements as regards the environmental goals set, with further information on those that will be completed in the years to come.

AREA	GOAL	COMPLETION	CONNECTED SDGS
Sustainability Report	Initiate process to obtain the certification of our Sustainability Report	100% - Publication of the 2023 Sustainability Report	      
Revamping of the circulating car fleet	Rental/purchase of new electric vans	20% - Introduction of an electric vehicle into the fleet (target re-proposed for completion in the years to come)	 
Energy savings	Installation of occupancy sensors in all changing rooms and restrooms	100% - Installation of occupancy sensors to help limit energy waste indoor	 
Environmental Sustainability	Replacement of bags used for raw material packaging with 100% recycled plastic bags	100% - Introduction of recycled plastic bags to replace old bags made of virgin materials	 
Waste	Separate collection of plastics, to be disposed of with EWC code 15 01 10 instead of 04 01 99	100% - Improvement of waste separation and segregation specifications; plastic waste disposed of under EWC code 15 01 02	

AREA	GOAL	COMPLETION	CONNECTED SDGS
Waste	Launch of an internal project for the implementation of specific solutions aimed at reducing the generation of waste identified with EWC codes 04 01 99 and 04 01 08	50% - Reduction of the generation of EWC code 04 01 99 waste by introducing specific codes as for plastic. This result cannot be assessed for EWC code 04 01 08 waste due to increased productions on the line that generates this kind of waste	
Waste	Purchase of water bottles for all employees and introduction of drinking water dispensers	100% in June 2024	  
Energy	Certify 100% power from renewable sources	2025-2026 goal	   

Starting from the results obtained this year, we set these targets for the short to medium term:

GOAL	PLANNED ACTIVITY(IES)	EXPIRY	CONNECTED SDGS
Revamping of car fleet	Increase share of low environmental impact vehicles in fleet (from 20%)	2025/26	 
Waste	Launch of an internal project to implement specific solutions aimed at reducing the generation of EWC code 04 01 08 waste	2025/26	 
Energy	10% decrease in the Euro/internally produced pair of shoes energy indicator, as regards the use of power from the grid	2025	
Energy	Activation of corporate photovoltaic system resulting in lower amount of purchased energy	2025/26	
Emissions	Install at least 2 electric vehicle recharge stations	2025	

SOCIAL ACCOUNTABILITY



6. Social accountability

In Freeland, respecting human rights and protecting persons in all the stages of their working life is an essential value and one of the pillars on which our growth is based. We are convinced that economic development and production excellence can only be consolidated through an approach that puts people's dignity, well-being and safety at the centre.

Since 2009, we have adopted the SA8000 Corporate Social Responsibility system, which has made us one of the first footwear companies in Italy to embark on this path. This choice demonstrates our tangible and continuous effort to ensuring fair, transparent and respectful working conditions, in line with international best practice. Our social strategy is constantly shared with our stakeholders and reviewed on an annual basis. This review process allows us to reinforce our long-established principles, introduce new approaches and solutions, and define increasingly challenging goals. A central role is played by our Social Performance Team, composed of both management and employee representatives who work proactively to improve working conditions and environment.

For 15 years, we have continuously published an SA8000 Report on our website to transparently inform our stakeholders about our social performance and the progress we make in our efforts.

We are aware that the fashion industry presents significant social challenges globally, due to the effects of the delocalization of fashion production and the existence of contexts where widespread poverty and lack of regulatory protection can expose workers to exploitation and non-respect of fundamental rights. For this reason, we believe that it is our responsibility to consistently and resolutely adopt practices that

protect persons and help strengthen this supply chain with ethics, transparency and social justice. Focusing on social topics is not only an ethical commitment, but also part of sustainable competitiveness. We believe that a fair and inclusive working environment fosters innovation, quality and shared value, thereby strengthening the trust of our customers, partners and communities. The materiality of this topic within the context described above has clearly emerged from the analysis we carried out, as shown in the table below. All the answers received on this topic were in full agreement with Freeland’s vision, which sets specific strengths and objectives for a correct management and development of our workforce. An equally important issue raised by external stakeholders has been the need to monitor these topics along the entire supply and manufacturing chain, which means beyond Freeland’s direct perimeter.

6.1 THE PEOPLE: OUR STRENGTH

Over the years, Freeland has almost constantly increased its operations, and consequently its workforce. At year-end 2024, our previous staff of 227 units increased by 49 units, 104 men and 172 women.

GENDER	NUMBER
Men	104
Women	172
Total	276

Our corporate strategy consists in promoting a safe, respectful and inspiring work environment, where each employee can best express his or her own skills and aspirations. In particular, we pay attention to gender diversity, age groups, contractual stability, and a healthy work-life balance. The analysis of our labour force data enables us to continuously monitor internal dynamics and assess the effectiveness of the actions undertaken.



The aim of periodic reporting is not only to provide information, but is a tool for continuous improvement for us: by analysing our detail tables, we are able to continuously identify strengths and weaknesses to focus on with new initiatives.

The publication of this information is a tangible proof of Freeland's willingness to build a corporate culture based on accountability and sharing, in the belief that economic growth and social sustainability are inseparable goals.

YEAR	ADMINISTRATION	PRODUCTION
2016	20	124
2017	24	135
2018	25	143
2019	25	139
2020	27	136
2021	27	141
2022	26	161
2023	29	198
2024	29	247

6.1.1 PROTECTION OF HUMAN RIGHTS

Freeland has always paid great attention to respect for human rights throughout the value chain, ensuring that its operations do not negatively affect its employees, suppliers or the communities involved in our operations.

A primary principle for us is the total rejection of child labour: we not only do not use it, but we take action to ensure that this practice is not present in our supply chain.

Particular attention is paid to young workers aged between 16 and 18, in full compliance with national regulations and international standards. These employees are never given heavy, demanding or overtime shifts. Moreover, if a young person has not yet completed compulsory education, Freeland ensures that working hours are compatible with school attendance, in line with ILO conventions, the SA8000 standard and Italian laws, always choosing the most favourable solution for the protection of the person.

To make these commitments tangible and verifiable, we have defined dedicated operating procedures and internal auditing with which to continuously monitor compliance with rules and timely action in case of any problem.



AGE OF EMPLOYEES	NUMBER	MEN	WOMEN
15-17	0	0	0
18-20	13	6	7
21-30	67	25	42
31-40	70	30	40
41-50	65	24	41
51-60	48	17	31
61-70	13	4	9
70+	0	0	0

6.1.2 EMPLOYMENT, DIVERSITY AND INCLUSION

In Freeland's view, worker protection depends first and foremost on the establishment of a clear, fair and legal employment relationship. Each stage, from selection to recruitment, from remuneration to career development, is carefully managed following clear procedures that ensure fairness, transparency and equal opportunities.

Compliance with labour law regulations and the National Collective Labour Agreement (of the footwear industry) is ensured by the constant work of our Human Resources staff, supported by qualified external consultants. This approach enables us to respond in a timely manner to people's needs and expectations at each different stage of their experience in our company.

The agreements entered into, and the related documentation, provide all the protection required, thus ensuring safety and clarity to workers. Our policy has always favoured occupational stability: for us, the choice of permanent employment is a sign of mutual trust and a long-term commitment towards those who contribute every day to the growth of our company. This policy was confirmed in 2024 with over 73% of our employees under permanent employment contracts.

As our growth made it necessary, we hired 53 new resources in the last year, who have been onboarded according to the same quality standards and legal compliance that characterize HR management in our organization. In addition to permanent contracts, we also use traineeship and apprenticeship contracts for young people, with the aim of supporting their career by developing specific skills and know-how.

Consistently with social responsibility principles, Freeland does not use homework for a choice to maintain direct and transparent relationships with all our employees.

TYPE OF CONTRACT	MEN	WOMEN
Total # of employees	104	172
Permanent employees	70	133
Temporary employees	34	39
Variable-time employees		
Full-time employees	103	161
Part-time employees	1	11

We select and recruit personnel with extreme care, taking into account diversity and inclusion principles. Under no circumstances are these activities influenced by discriminating factors such as ethnicity, cultural origin or gender; on the contrary, the only qualifying elements we consider are skills, attitudes and abilities. The presence of personnel from other countries (including non-EU countries) is growing significantly, also in connection with the company's development over the years.

YEAR	NON-EU PRODUCTION EMPLOYEES	NON-EU PRODUCTION EMPLOYEES
2016	3	1
2017	6	1
2018	6	1
2019	8	0
2020	10	0
2021	6	0
2022	12	0
2023	14	1
2024	18	5

In order to facilitate the integration and inclusion of foreign personnel, Freeland has undertaken the following actions:

- Organization of Italian language courses
- Training in the employee's mother tongue
- Provision of accommodation
- Provision of a transport service with a special shuttle to reach the company's premises

The internal operating procedures defined under our social responsibility management system allow us to constantly monitor the main KPIs related to human resources. Each stage of the employee's life cycle in the company is monitored (recruitment, position changes and transformations, training, resignation).

YEAR	CONTRACT TERMS - MEN	CONTRACT TERMS - WOMEN	NEW HIRES - MEN	NEW HIRES - WOMEN
2016	2	6	23	26
2017	7	10	15	21
2018	9	9	13	11
2019	4	1	9	10
2020	4	4	1	9
2021	5	8	8	17
2022	2	3	15	32
2023	5	4	20	35
2024	15	20	34	50



After the COVID-19 pandemic emergency period, Freeland experienced an increase in turnover, in line with many other sectors of the economy.

For us, every change in our human resources is an opportunity for listening and growth. For this reason, our HR department carefully analyses the reasons why a staff member resigns, systematically gathering information that can improve both the working environment and the quality of relationships with our workers.

Freeland ensures its employees the supplementary benefits provided by the “Fondo di assistenza sanitaria integrativa” dedicated to all the people who work in the fashion industry (SANIMODA).

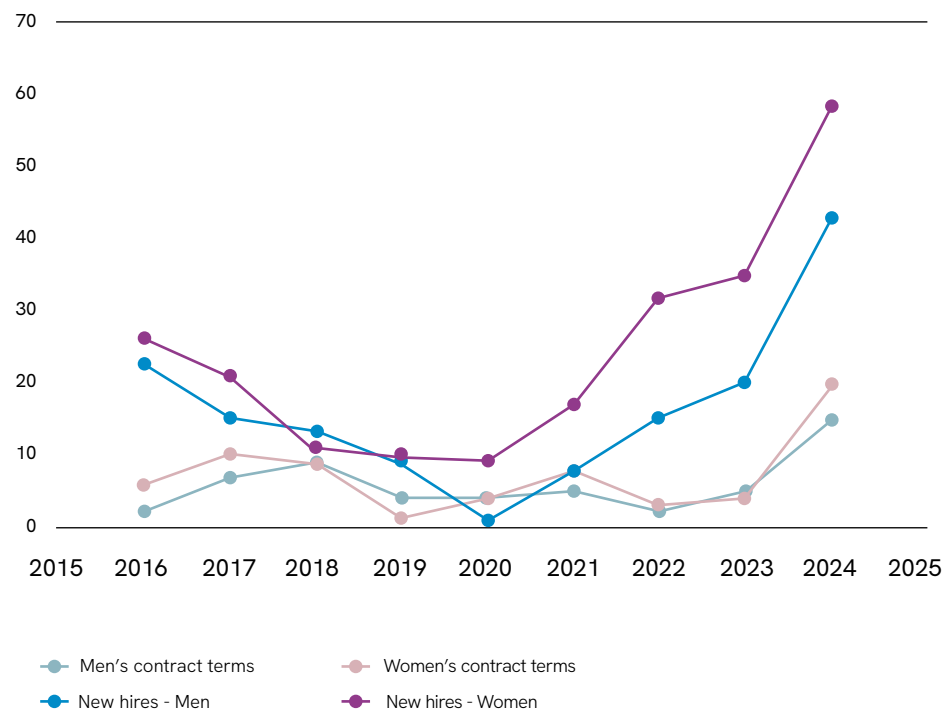
6.1.3 FREEDOM OF LABOUR

In Freeland, engaging in work is a totally free choice of the person and no form of forced or obliged labour is tolerated. Our employees are never required to deposit money and we do not retain any personal document such as identity cards or residence permits.

Since hiring, employees receive all the necessary information in a clear and transparent manner concerning labour contract clauses, remuneration and organizational rules. Through a structured onboarding procedure, we guide new hires into the company with fairness and care, to immediately favour a relationship based on mutual trust.

Information on employment conditions are constantly accessible, also through the designated workers’ representatives, and each employee will always have the opportunity to freely express opinions and suggestions or report on any work-related social issue. For this purpose, we made available some dedicated boxes in our operating units, where each person can submit contributions, including anonymously.

In addition, we periodically survey our social accountability under the SA8000 standard.

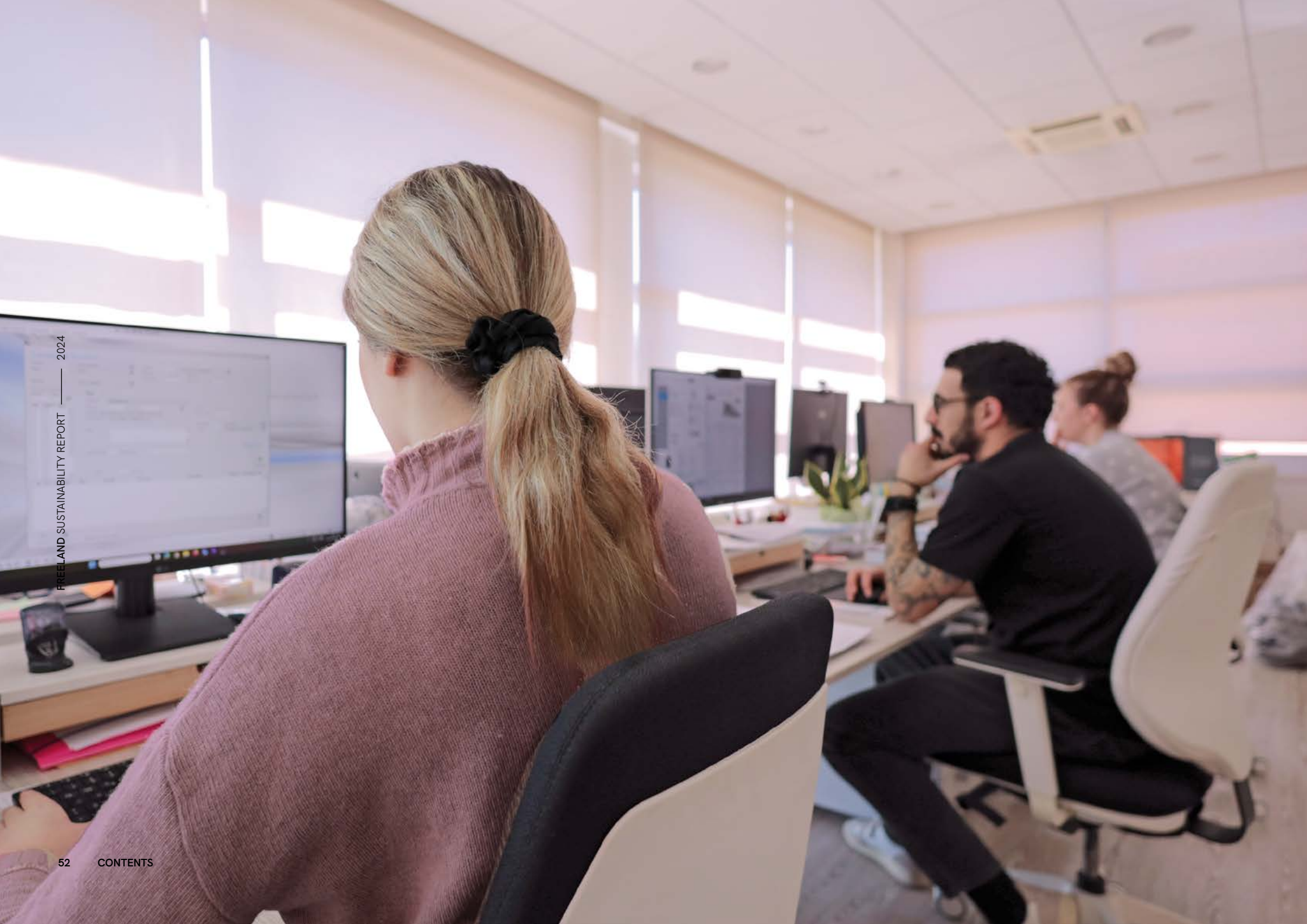


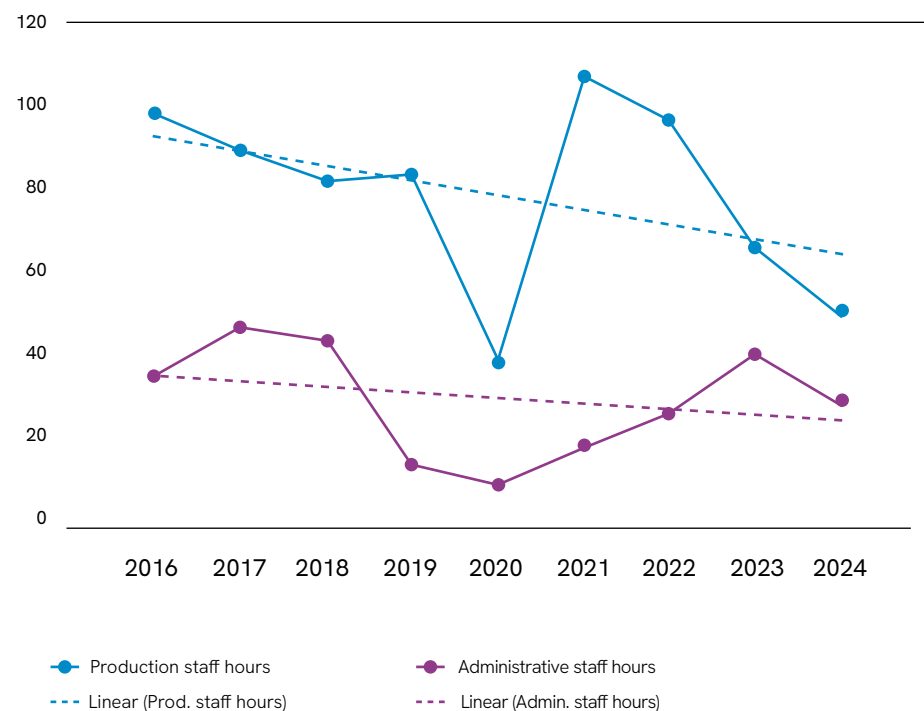
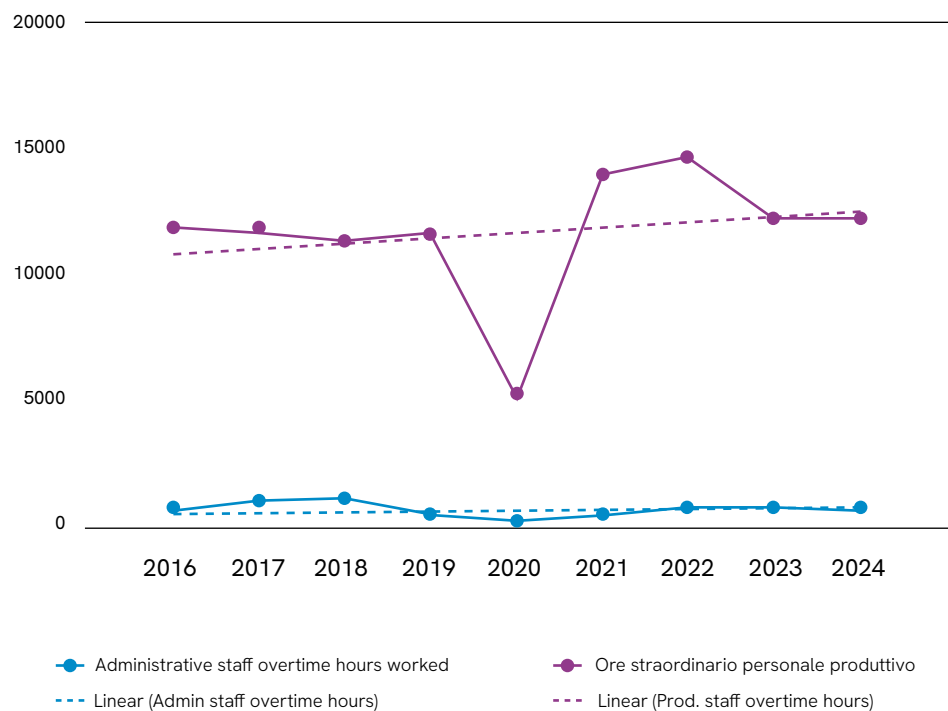
Reports and feedback are handled transparently, in cooperation with workers' representatives and the Social Accountability Team, to ensure a serious and constructive discussion.

As regards the organization of working time, we are committed to ensuring a good work-life balance for our employees. Overtime is only used as an exceptional measure, and always if the employee agrees to it, in full compliance with the limits laid down by the law. The HR department regularly monitors overtime trends, in order to have a timely and up-to-date picture of its impact on the entire workforce.

These choices make Freeland a workplace where a fair, transparent and engaging working environment is ensured and where every person can feel respected and protected.

YEAR	OVERTIME HOURS OF ADMINISTRATIVE STAFF (total hours)	ADMINISTRATION EMPLOYEE/HOUR	OVERTIME HOURS OF PRODUCTION STAFF (total hours)	PRODUCTION EMPLOYEE/HOUR
2016	713	36	12,267	99
2017	1,118	47	12,166	90
2018	1,244	45	11,732	82
2019	357	14	11,967	84
2020	268.5	9.94	5,270.5	38.38
2021	521	18.61	14,613	106.67
2022	758	26.14	15,246	95.89
2023	783	41.22	12,720	66.25
2024	848.5	29.25	12,608.5	51.04





In recent years, increased staffing enabled us to improve the way we manage workloads, with a positive impact on the use of overtime. While, in the past, the additional working hours required from our production staff exceeded 12,000 hours per year, with peaks of an average 100 hours per employee (as in 2016 and 2017), the situation is much more sustainable today. After the introduction of new resources and a better organization of our activities in 2024, overtime was reduced to an average 51 hours per employee for production staff, factually halving the effort required a few years ago.

A similar trend is also observed for the administrative staff, whose average hours per employee have fallen considerably from the highest values recorded in the past (47 hours in 2017), and have stabilized at lower levels in recent years.

These figures confirm how occupational growth is not only a sign of business development, but also a key element in ensuring well-being, work-life balance and social sustainability for all employees.

6.1.4 OCCUPATIONAL HEALTH AND SAFETY (OHS)

The protection of health and safety in the workplace is a central commitment for Freeland, as we have always promoted proactive risk prevention policies and continuous improvement initiatives. Freeland's Management supports a strong safety culture by involving employees in awareness and engagement activities.

Since 2020, we have adopted an occupational safety management system in accordance with the ISO 45001 standard, that is constantly monitored by the certification body Bureau Veritas.

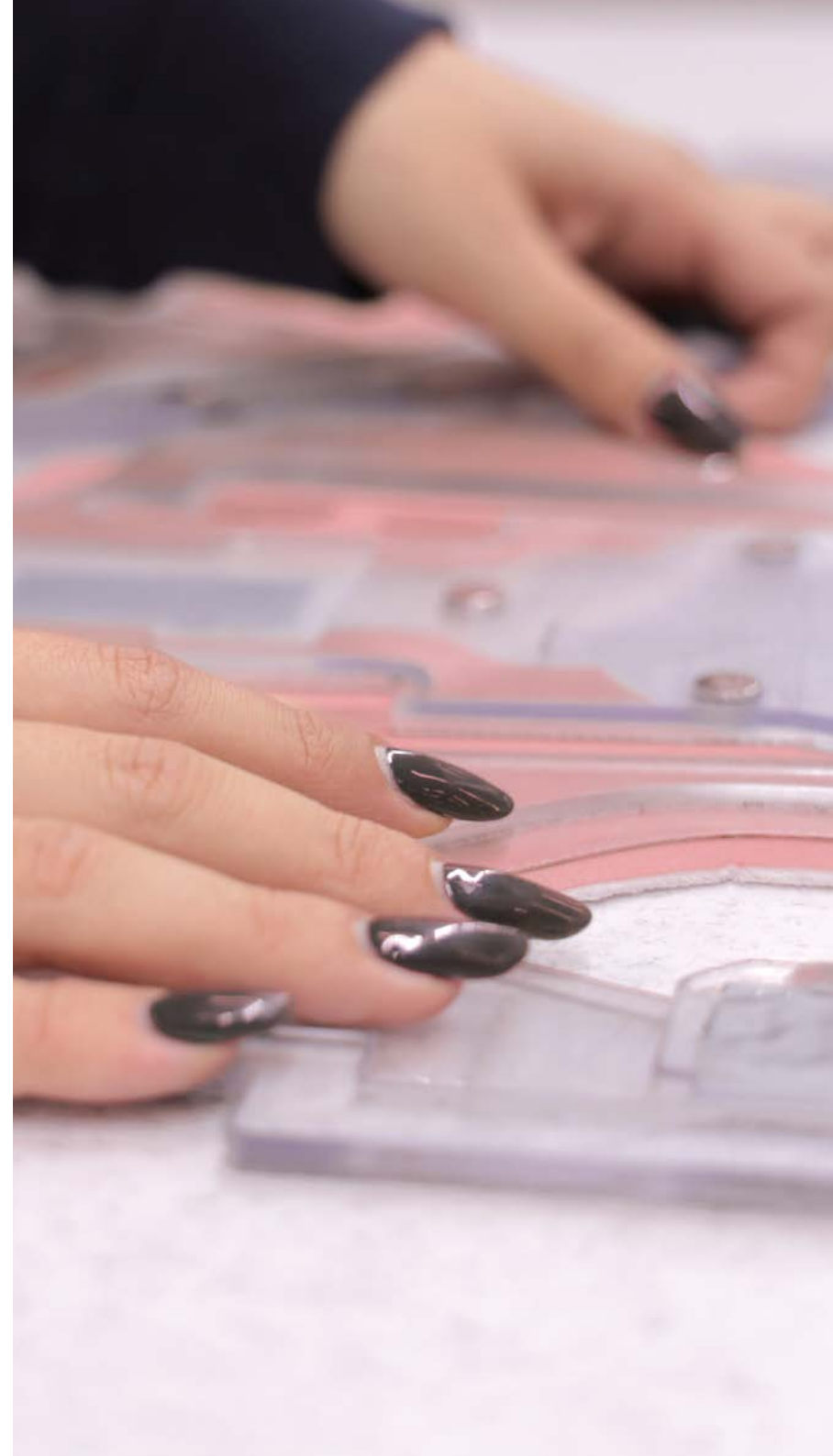
This confirms our willingness to achieve high and verifiable standards with a structured and transparent approach.

A further tangible sign of our focus on safety is our continued investment in training. With the increasing number of employees, in recent years the average number of training hours per employee has also grown, reaching +14.74%. This figure shows our effort to make each employee a proactive supporter of prevention and protection of everybody's health.

YEAR	SAFETY TRAINING PROVIDED (# OF HOURS)	AVERAGE TRAINING PER EMPLOYEE (HOURS/EMPLOYEE)
2023	1,061	4.7 (1061/227)
2024	1,510	5.39 (1510/280)

Despite a steady growth in training and structural investments in prevention, Freeland is aware that the risk of accidents cannot be entirely excluded. For this reason, we developed a continuous support and care system, where each worker can interact with an H&S representative to receive guidance and help, whenever necessary. In addition to this, our Social Accountability Team also contributes by offering further support on all the social aspects of work.

Our focus on these issues is reflected in figures: accident trends in recent years show very low numbers, both in absolute and relative terms. This result proves the effectiveness of the actions we put in place and confirm that the combination of training, prevention culture, and tools for active worker participation is the key to minimizing risks.



YEAR	WORKING DAYS LOST DUE TO INJURIES	WORKING DAYS LOST DUE TO WORK-RELATED ILLNESSES
2021	128	0
2022	14	0
2023	12	0
2024	41	86

YEAR	TOTAL NUMBER OF ACCIDENTS	NUMBER OF HOME-TO-WORK COMMUTING ACCIDENTS	WORKING DAYS LOST DUE TO INJURIES	REQUESTS FOR RECOGNITION OF PROFESSIONAL ILLNESS	WORKING DAYS LOST DUE TO WORK-RELATED ILLNESSES
2021	2	0	128	0	0
2022	1	0	14	0	0
2023	3	1	12	0	0
2024	5	0	41	1	86

As already highlighted in the previous sections, Freeland is in continuous evolution not only for the purpose of optimizing its manufacturing facilities, but also to constantly improve the organization in terms of workers' health and safety (H&S).

6.2 OUR SUPPLY CHAIN

A good management of the supply chain is a strategic asset for Freeland, since producing footwear for the main international players in luxury and fashion markets requires high professionalism, technical specialization, operational speed, flexibility and adaptability. These features extend beyond our internal organization, as they are fully developed also with the fundamental contribution of our network of suppliers and partners.



Since its foundation, Freeland has recognized the value of its supply chain as an integral part of its success, building relationships with partners based on fairness, mutual respect, shared benefit and lasting loyalty.

Our suppliers fall into several strategic categories:

- Raw materials (mainly hides and textiles)
- Components and accessories
- Outsourced specialised work
- Sundry support services

A significant proportion of raw material suppliers are selected and qualified directly by client brands, according to their strict quality and sustainability standards. For the other categories under our responsibility, Freeland adopts structured research, selection and monitoring procedures to ensure high levels of quality and full compliance with environmental and social requirements.

Our materiality analysis highlighted the importance of transparent reporting on human rights issues in the supply chain, considering them material and a priority for sustainability.

Freeland's SA8000, ISO 14001, and ISO 45001 certified integrated management system enables us to conduct differentiated audits based on the relevance of supplies, with a special focus on the quality of both products and processes, as well as on the social and environmental responsibility of our partners. Purchase specifications require compliance with our Code of Business Ethics and with the supply specifications developed for each type of procurement, so that consistency and clarity in business relationships is ensured. Our supply chain also includes the two subsidiaries Nadhour Shoes (Tunisia) and Free Shoes (Romania), which are both regularly audited directly by Freeland and by its clients for the purpose of ensuring full compliance with the national regulations of the manufacturing countries and with corporate social, environmental and quality standards.

FREELAND

We maintain a constantly updated mapping of our suppliers, of whom we analyse potential social and environmental risks, while identifying the most sensitive topics for which targeted control and monitoring activities are defined. In these cases, in addition to including specific contract clauses, we also conduct on-site audits followed by structured improvement and follow-up plans.

These audits play an essential role in ensuring respect for human rights along the supply chain. They focus on key aspects, such as:

- No child labour and forced or compulsory labour
- Protection of occupational health and safety
- No form of discrimination
- Compliance with working hours and salary conditions
- Guaranteed decent and safe working conditions

YEAR	NUMBER OF AUDITS CONDUCTED
2021	13
2022	17
2023	25
2024	23



6.3 CONNECTION WITH OUR COMMUNITY

Since our establishment in 2000, Freeland has developed a deep and lasting bond with the Tuscan community in which it operates. In an increasingly globalised and competitive scenario, we firmly chose to keep our manufacturing operations within the Tuscan footwear district to support local skills and contribute to the preservation of an important craft and cultural heritage.



The constant development of our business and the growth of our workforce have fostered the development of strong and collaborative relationships with the main local institutions, which has turned Freeland into a recognized partner for the community and an attractive player for the local labour market.

The active relationships we entertain with suppliers, industrial partners, public bodies and local government entities have allowed us to play an active role in the social and economic growth of the Tuscan community, thus contributing to a sustainable development model rooted in the local context.

The materiality analysis we conducted has shown that, while this link with our community is a distinctive element of our corporate identity, it is not among the most sensitive aspects for non-financial reporting purposes, as required by the CSRD.

Although the company does not operate in areas inhabited by indigenous peoples, we pay a particular attention to compliance with national and international regulations governing these issues, in line with the environmental and social policies promoted by our clients. Freeland adheres to and implements policies defined by fashion brands regarding the protection of Indigenous Peoples' rights and the fight against uncontrolled deforestation in sensitive areas of the planet, in line with the provisions of Regulation (EU) 2023/1115 on deforestation (EUDR).

While we do not directly manage the procurement of raw materials for our clients, we adopt the traceability and due diligence policies required by partner brands, thus ensuring compliance with European and international regulations on sustainability and human rights.

In keeping with its long-standing social commitment, Freeland supports local initiatives for the benefit of the most vulnerable society groups. For over ten years, we have been collaborating with "Ortolani Coraggiosi" [Brave Orcharders], a social agricultural cooperative operating in the municipalities of San Miniato and Fucecchio, who offer training and job placement opportunities to young people with autism and other neurodevelopmental disorders. Through agricultural work, these young people learn to grow, harvest and sell locally produced vegetables within the framework of a project that combines social inclusion, environmental sustainability and the development of the local territory.

6.4 CONSUMERS

Freeland operates in a business-to-business (B2B) setting, so we do not sell our products directly and do not engage with end-consumers, because the footwear we manufacture are sold to major luxury and international fashion brands. Therefore, product information, communication with consumers and marketing are defined and managed by our clients, who remain fully liable for these activities.



Nevertheless, the responses obtained in the questionnaires submitted to our internal and external stakeholders showed remarkable sensitivity for sustainability, product safety and social inclusion issues. These aspects are perceived as significant, particularly by the local workforce and stakeholders, who recognize Freeland as an important player in ensuring safe, transparent and environmentally friendly manufacturing processes.

Our materiality analysis confirmed that the impact of these issues is, on average, 'significant' for end-consumers, especially as regards information, safety and ethical-social aspects, and 'sensitive' for the workforce and stakeholders, although less significant from the company's point of view due to its position within the value chain. In this context, Freeland is committed to protecting confidential information and implementing information security protocols during manufacturing phases, in line with brand's requirements.

Freeland has always focused on the quality and security of its products, which have always been core values of its corporate identity. The structured and capillary quality control system we developed touches all the stages of our manufacturing process, from the selection of raw materials to the manufacturing of the finished product.

Each raw material, component or accessory goes through accurate and systematic checks to ensure their compliance with the technical specifications defined by our clients, with the applicable regulatory requirements, and with the quality standards expected for their intended use.

In terms of regulatory compliance, Freeland ensures full compliance with Regulation (EC) no. 1907/2006 "REACH" on the Registration, Evaluation, Authorization and Restriction of Chemicals by ensuring that the materials used are free from hazardous or restricted substances.

6.5 REPORTING OF SOCIAL GOALS AND FUTURE PERSPECTIVES

Freeland has many different social goals, which determine different impacts on both its employees and those of the whole supply chain, as well as local communities.

Freeland reports on the progress made on its plans against the goals set the previous year and develops new targets for the coming years.

AREA	GOAL	COMPLETION	CONNECTED SDGS
Transparency and visibility of corporate operations by increasing legitimacy and consent	Preparation of a Sustainability Report	100% - Publication of the 2023 Sustainability Report	   
Corporate welfare	Meal vouchers/shopping vouchers for all employees	100% - Corporate welfare services	  
Inclusion and integration	Italian language courses for foreign employees	100% - Courses delivered to all newly hired employees as planned	   
Occupational safety	Upgrade and requalification of horizontal safety signs	100% - Safety road sign renewed	
Career growth training	Target of 600 hours of voluntary training reached (courses of Italian language, management systems, and more)	Not achieved in 2024, re-proposed for 2025	   
Participation in initiatives for social, humanitarian and/or charitable organizations	Allocation of funds to social, humanitarian and/or charitable programs and initiatives, support of a scholarship for the Ortolani Coraggiosi project "Casa di Ventignano"	100% - Actions in favour of social/humanitarian/charitable organizations completed, as every year, and planned for the future	  

While working on 2024 proposals, Freeland sets itself goals to be achieved in the coming years:

GOAL	PLANNED ACTIVITIES	PLANNED ACTIVITIES	CONNECTED SDGS
Inclusion and integration	Delivery of Italian language courses for newly-hired foreign personnel	2025/26	   
Participation in initiatives for social / humanitarian / charitable organizations	Allocation of funds to social, humanitarian and/ or charitable programs and initiatives, support of a scholarship for the Ortolani Coraggiosi project "Casa di Ventignano"	2025/26	  
Career growth training	Target of 600 hours of voluntary training reached (courses of Italian language, management systems, and more)	2025	   
Health and Safety	Reduction of accident/injury severity and frequency indices	2025	
Academy Project	Creating a corporate vocational training school for unemployed young people, aimed at training potential future professional footwear specialists	2025	  

SECTION 7

GOVERNANCE

7. Governance

Corporate governance is one of the three key pillars of Freeland's Sustainability Report. It defines the set of principles, structures and mechanisms through which the company directs, manages and controls its operations, ensuring transparency, integrity and accountability in strategic and operational decisions.



The analysis conducted on the Governance pillar identifies a number of key areas that translate business conduct and culture into tangible actions:

- EBusiness ethics and business culture, including anti-corruption, anti-bribery and misconduct policies
- Whistleblower protection to ensure transparency and fair management
- Management of relationships with suppliers based on fairness and shared responsibility along the value chain
- Any political influence activities, including animal welfare advocacy or lobbying, connected to
- the traceability and sustainability of the raw materials used





The materiality analyses conducted, complemented by the results of the questionnaires submitted to internal and external stakeholders, showed a high level of stakeholder focus on all of the issues listed above. More specifically, stakeholders attach great importance to ethical conduct, transparency and business integrity, considering them essential to ensuring long-term credibility and sustainability.

However, our internal assessment identified a relatively minor impact for some specific aspects:

- Relationships with suppliers - consolidated and transparent, they take place at regular supply and payment terms and conditions, in accordance with signed arrangements
- Political influence activities - Freeland has no relationships or connections with the Public Administration or with political circles, does not engage in lobbying or advocacy with public bodies
- Animal welfare is considered a less relevant topic for the company because the supply of hides and raw materials is directly managed by our client brands and is not under Freeland's control

While Freeland does not operate in areas where there is a high risk of corruption or political influence, ethical and transparent governance is still considered an essential part of our business model. We promote a culture of responsibility based on principles of fairness, compliance with rules, traceability of decision-making and professional integrity.

Through the implementation of the Organizational Model 231 and through an Integrated Management System, Freeland ensures compliance with national and international laws and regulations, and encourages behaviours consistent with corporate values and stakeholders' expectations.

This approach enables us not only to preserve our reputation and reliability, but also to strengthen the long-standing trust relationship we have with our clients, suppliers, employees and local communities, thereby consolidating a robust, accountable and continuously improving governance model.

7.1 BUSINESS ETHICS AND CONDUCT

For Freeland, ethics is a guiding principle and a core value that underpins every business decision and behaviour. We recognize that integrity, transparency and fairness in business relations are prerequisites for building the trust required with our stakeholders and ensuring sustainable growth over time.

At the heart of this commitment there is our Code of Business Ethics, which clearly and precisely defines the principles of conduct that all employees, contractors and partners must follow in the conduct of their businesses. This Code establishes rules and behaviours based on values of loyalty, responsibility, respect for the individual, legality and environmental protection, while promoting a transparent and respectful working environment.

Each recipient of the Code of Ethics is expected to be familiar with its contents, apply them in practice in their daily activities, and report any irregularities or violations using the available channels. This ensures that ethics does not remain an abstract principle at Freeland, but translates into consistent behaviour and measurable performance.

To ensure compliance with regulations and the prevention of any illegal behaviour, Freeland has adopted an Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001 ("Model 231"), as an essential tool for the definition of a transparent and responsible governance system. This Model provides for specific control protocols, assigns operational and decision-making responsibilities, and aims at preventing the commission of the offences referred to in the applicable legislation.

A Supervisory Board (SB), an independent body with supervisory powers, oversees and monitors the effective implementation of Model 231. Its task is to monitor the company's compliance with the provisions of the Model, assessing the consistency of business procedures and receiving reports of breaches through confidential and secure communication channels that ensure the protection of the anonymity and good faith of the whistleblower.

Business areas at higher risk and sensitive processes are periodically identified and updated through risk assessment activities that analyse the different types of crimes defined in Legislative Decree no. 231/2001 and allow specific preventive measures to be undertaken.

With these actions Freeland is committed to maintaining high standards of transparency, fairness and integrity in all its operations, fostering a corporate culture based on social responsibility and respect for human rights, workers' rights, environmental protection, and the fight against corruption.

All this consolidates a model of ethical and conscious governance, capable of creating lasting value for all its stakeholders and strengthening the reputation and reliability that have always distinguished Tuscan shoe manufacturing of excellence.

7.2 GOVERNANCE STRUCTURE

Freeland bases its growth strategy on a robust, transparent and sustainability-oriented governance model aimed at ensuring the creation of long-term value for all its stakeholders.

We are committed to manage our operations responsibly, ensuring an appropriate balance between profits, social development and environmental protection, in full compliance with the laws, regulations and ethical values that have always guided our work.

7.2.1 STRATEGIC OBJECTIVES AND MANAGEMENT PRINCIPLES

In line with this mission and vision, Freeland’s priority objectives are to:

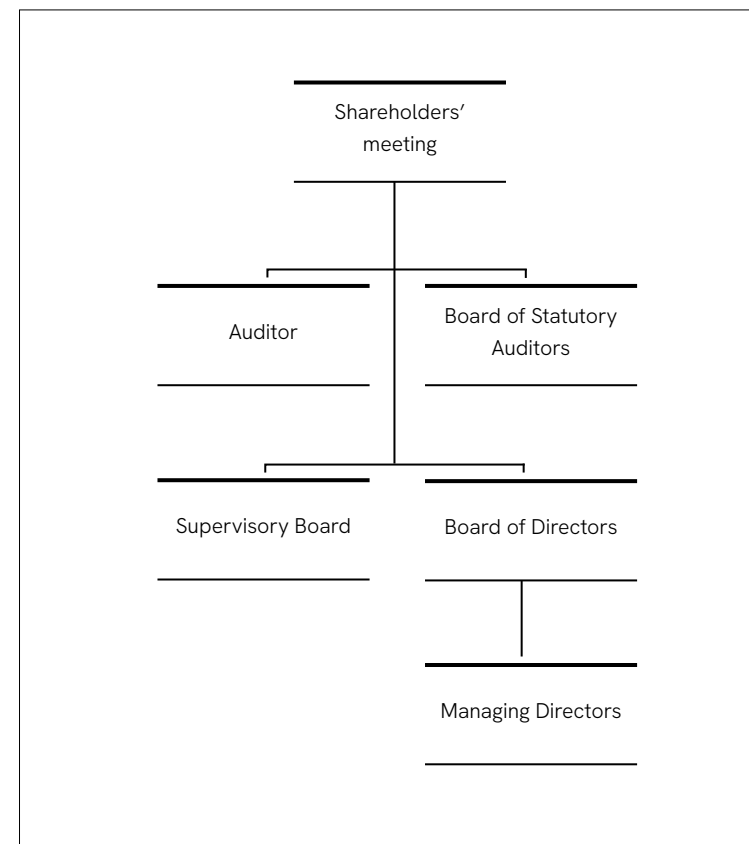
- Continuously improve our profitability, social and environmental performance, create shared value for all our stakeholders, and conduct business in compliance with the law and ethical business principles
- Adopt a risk assessment and opportunity-based approach in order to promptly identify areas for improvement and strengthen our capacity to adapt to changes in the environment
- Promote ethical and responsible behaviours at all levels in the organization through the dissemination and implementation of our Code of Ethics, both for the internal personnel and for external stakeholders
- Actively involve the personnel, ensuring that each staff member is adequately informed about the company’s commitments and is aware of their contribution to achieving common objectives

7.2.2 GOVERNANCE MODEL

In compliance with the applicable legislation, Freeland adopted a traditional administration and control system capable of ensuring management efficiency, transparency of decision-making, and ethical behaviour.

This system is composed of a Board of Directors, a Board of Statutory Auditors, an auditor, and a Supervisory Board, who work in a synergistic and coordinated manner to ensure the soundness and continuity of the business.

The entire governance model is based on an integrated set of carefully defined rules, practices and procedures designed to ensure that each activity is carried out with clarity, effectiveness and accountability.



7.2.3 BOARD OF DIRECTORS

The Board of Directors (BoD) is the central body entrusted with directing and strategically managing the company.

It defines development strategies, assesses operating and financial performance, approves financial statements and periodic reports, manages extraordinary operations and makes significant business continuity decisions.

The BoD also oversees sustainability policies by integrating economic, environmental and social aspects into strategic choices, to ensure the implementation of an effective internal control and risk management system.

Freeland promotes an inclusive and safe working environment, where workers' rights and communities are respected, and is committed to provide continuous training to Board members to ensure up-to-date skills and increasingly responsible management.

While having full control powers, the BoD delegates operating functions with specific tasks to ensure efficiency and clarity in decision-making processes.

7.2.4 AUDITOR

An Auditor is appointed by the Shareholders' Meeting based on a proposal from the Board of Statutory Auditors to carry out statutory audits with full autonomy and independence.

Auditors are selected from among leading international companies to ensure strict, transparent and impartial control of the company's accounts and financial statements, thus contributing to ensure the reliability of financial information for stakeholders.

7.2.5 BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors (BoSA) supervises and controls that the company complies with the law, its Articles of Association, and sound principles of administration.

It checks the consistency and adequacy of the organizational, administrative and accounting layout adopted by the company, and monitors the effectiveness of the internal control system. With periodic audits, the BoSA ensures that the management of the company is inspired to transparency, reliability, and sound administration principles.

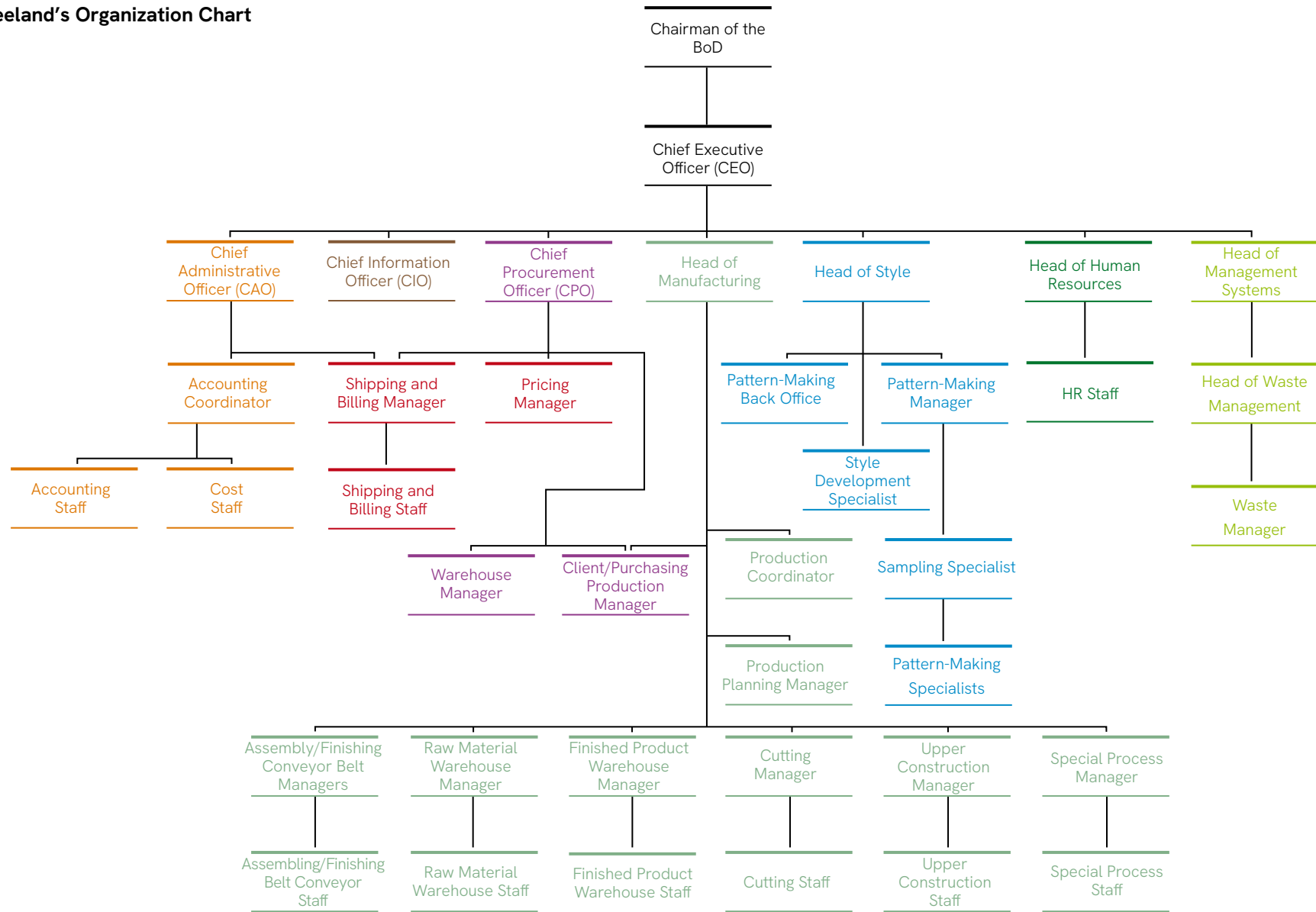
7.2.6 SUPERVISORY BOARD - MODEL 231

In compliance with Legislative Decree no. 231/2001, Freeland has adopted an Organization, Management and Control Model aimed at preventing crimes and promoting an ethical and compliant corporate culture.

For this task we appointed a Supervisory Board (SB) composed of professionals who independently supervise the implementation and effectiveness of Model 231, monitor its updating, and handle any non-compliance raised through preset confidential reporting channels (whistleblowing).

The SB plays a very important role in ensuring that high standards of integrity and transparency are maintained, consistently with the principles of our Code of Ethics and with our responsible governance goals.

Freeland's Organization Chart



7.3 ANTI-CORRUPTION AND TRANSPARENCY

Fighting corruption is a core value in Freeland's corporate culture, which translates into a constant commitment to transparency and fairness in the management of our operations. We are fully aware that only with ethical, clear, and responsible behaviours can we build lasting trust relationships with our stakeholder and strengthen our reputation of reliable company to distinguish ourselves in the fashion and luxury industry.

Freeland's Code of Ethics states that all forms of corruption, whether active and passive, are prohibited, including any conduct that may even appear to be an attempt at gaining undue advantages. Every associate, employee, consultant or business partner is required to act in full compliance with national and international laws and with principles of integrity, impartiality and legality in business relationships.

In particular, relations with public authorities, supervisory entities and institutions must be managed with the utmost transparency and fairness, avoiding any action that could improperly influence the decisions or acts of a public entity. It is expressly forbidden to offer, promise or accept, directly or indirectly, gifts, money, favours or other benefits, irrespective of their value or purpose, where such actions could affect the fairness and impartiality of professional relationships.

7.3.1 A STRUCTURED RISK PREVENTION SYSTEM

To ensure full compliance with these principles, Freeland has adopted an Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001, which provides for specific internal procedures and protocols aimed at preventing illegal behaviours.

This Model is based on clear accountability, an accurate definition of sensitive processes, and periodic control and audit processes that effectively monitor and minimize risks of corruption or unethical practices.

The implementation of the Model is constantly monitored by the Supervisory Board (SB), an independent body with inspection and control powers, which ensures the effective application of prevention measures and ensures that corporate behaviours comply with the principles set out in the Code of Ethics. The SB is also the main hub where whistleblowing reports are received and managed ensuring the confidentiality of whistleblowers and their protection from any form of retaliation.

7.3.2 COMMITMENT TO STAKEHOLDERS

Freeland considers transparency and legality key to the way we operate. Although we do not have direct contacts or contract relationships with public bodies, Regions, or Municipalities, we recognize that the issue of corruption and ethical conduct is a priority for our stakeholders; for this reason, we ensure regular and careful reporting. By spreading a culture of integrity and promoting honesty, loyalty and social responsibility, Freeland aims to strengthen a transparent and sustainable governance model that generates shared value and strengthens trust with customers, partners, and communities.



7.4 ALIGNMENT WITH THE EUDR

As part of our commitment to an increasingly transparent and accountable supply chain, Freeland has embarked on a structured journey towards full compliance with the new Regulation (EU) 2023/1115, known as the European Union Deforestation Regulation (EUDR), which will fully enter into force in 2026.

The objective of the Regulation is to prevent products associated with deforestation or forest degradation from being placed in the European market. As manufacturers of footwear and sneakers using materials such as leather, rubber and other derivatives of natural raw materials, we recognize our responsibility to ensure that the origin of each component complies with environmental, ethical, and traceability criteria.

To meet these requirements, we have strengthened the governance of our supply chain with the following actions:

- Material traceability control, to verify the origin of the raw materials along the entire supply chain
- Mapping of tier 1 and 2 suppliers, to ensure compliance with EUDR requirements and promote sustainable sourcing practices
- Integration of EUDR criteria into our procurement policies and supply agreements
- Continuous training of the personnel involved in sourcing and regulatory compliance activities

The Management of the company, coordinated with the Procurement Department, periodically monitor the progress and compliance of our business partners with these requirements. This integrated approach combines integrity, transparency and innovation as strategic levers for the sustainability of our governance and supply chain. Compliance with the EUDR is not only a regulatory obligation for us, but an opportunity to build consumer trust and strengthen our role as a responsible brand, committed to protecting the environment and local communities.

7.5 REPORTING ON GOVERNANCE GOALS AND FUTURE CHALLENGES

Freeland's Governance strategy aims at raising the level of our compliance standards and mitigating risks across all our operations. After reviewing our achievements for the past year, we defined a new roadmap of our governance objectives with the purpose of optimizing information flows and regulatory compliance processes for the next reporting period.

GOAL	PLANNED ACTIVITIES	EXPIRY	CONNECTED SDGS
Management inclusion and integration	Continuously improve our economic, social and environmental performance, creating shared value for all stakeholders and maintaining compliance with law and business ethical principles	2025/26	  
Renewal of certifications	Promote ethical and responsible behaviour at all organizational levels by disseminating and implementing our Code of Ethics both among our internal staff and among external stakeholders	2025/26	 
Training for the growth of our workforce	Actively involve our staff, ensuring that each member is adequately informed about the company's commitments and aware of their contribution to the achievement of common goals	2025/26	 



8. Methodological Note

This document has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG), implementing the Corporate Sustainability Reporting Directive (CSRD) 2022/2464/EU.

These standards are the European framework for reporting on sustainability and have the objective to standardize and make non-financial information comparable across organizations, to ensure a greater transparency, consistency and reliability of the information provided.

Freeland has adopted ESRS standards since 2023, thus initiating a process of progressive integration of the CSRD principles into our reporting processes. This approach reinforces the measurement and reporting of our sustainability performance and allows us to monitor our goals and achievements over time.

In compliance with the provisions of the Directive, this report has been prepared on the basis of a double materiality assessment that considered both the impact of business operations on the people and the environment (impact materiality - inside-out) and the potential financial implications deriving from sustainability factors (financial materiality - outside-in). This analysis identified the material topics on which reporting is based.

In this first edition of our sustainability report under ESRS standards, we adopted the transitional provisions offered to companies who implement the new directive for the first years. This option allows companies with less than 750 employees to temporarily omit the following:

- ESRS Topic S1 (Own workforce) for the first year following the entry into force of the regulation
- ESRS Topic E4 (Biodiversity and ecosystems), S2 (Workers in the Value Chain), S3 (Affected communities) and S4 (Consumers and End-Users) for the first two years following the entry into force of the regulation

Freeland is committed to progressively integrate all the contents and indicators required by the CSRD and ESRS standards in the coming years, in line with the evolution of the regulatory framework and with the aim of ensuring increasingly comprehensive, transparent and continuously improved reporting.

9. ESRS References

ERS STANDARD	INFORMATION	LOCATION	REFERENCE PAGES
ESRS 2 general disclosure	Disclosure Requirement BP-1: General basis for preparation of the sustainability statement	The reporting scope includes only Freeland as an entity and corresponds to Freeland's financial statements as at 31 December 2024	Given in each section defined
ESRS 2 general disclosure	Disclosure Requirement BP-2: Disclosures in relation to specific circumstances		Given in each section defined
ESRS 2 general disclosure	Disclosure Requirement GOV-1: The role of the administrative, management and supervisory bodies		Section 6
ESRS 2 general disclosure	Disclosure Requirement GOV 2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	he following aspects are highlighted: ▪ Responsibility for ESG impact management lies with the Board of Directors, which reviews material issues, at least annually ▪ Responsibility for verifying compliance with environmental obligations also lies with functional managers. There is no established periodical frequency for these functional managers, vested with specific control responsibilities, to report to the Board of Directors: they must certainly do so whenever they deem it appropriate	Given in each section defined
ESRS 2 general disclosure	Disclosure Requirement GOV-3: Integration of sustainability-related performance in incentive schemes	There are no incentives or rewards associated with the achievement of ESG goals/targets	Section 4
ESRS 2 general disclosure	Disclosure Requirement GOV-4: Statement on due diligence		Section 4
ESRS 2 general disclosure	Disclosure Requirement GOV-5: Risk management and internal controls over sustainability reporting		Section 4

ESRS 2 general disclosure	Disclosure Requirement SBM-1: Strategy, business model and value chain		Section 4
ESRS 2 general disclosure	Disclosure Requirement SBM-2: Interests and views of stakeholders	Please note that all stakeholders are enabled to file a complaint, report, or proposal through tools / bodies / channels	Section 4
ESRS 2 general disclosure	Disclosure Requirement SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model		Section 4
ESRS 2 general disclosure	Disclosure Requirement IRO-1: Description of the process to identify and assess material impacts, risks and opportunities	As regards the involvement of the highest government body in the assessment of material issues, reference is made to reporting requirements ESRS 2 GOV-1 and ESRS 2 GOV-2. Material topics have been approved by the Management	Section 4
ESRS 2 general disclosure	Disclosure Requirement IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement		Section 4
ESRS 2 general disclosure	Disclosure Requirement MDR-P: Policies adopted to manage material sustainability matters		Section 4
ESRS 2 general disclosure	Disclosure Requirement MDR-A: Actions and resources in relation to material sustainability matters		Section 4
ESRS 2 general disclosure	Disclosure Requirement MDR-M: Metrics in relation to material sustainability matters	Each topic for which a quantitative measurement is required or deemed appropriate (e.g., an average, a ratio, a percentage, an absolute value, etc.) contains an explanation of the metrics used	Section 4

ESRS 2 general disclosure	Disclosure Requirement MDR-T: Tracking effectiveness of policies and actions through targets	We point out the maintenance of specific KPIs built into each reference section	Section 4
E1 climate change	E 1.1 Transition plan for climate change mitigation	Freeland has adopted the option that allows companies to postpone the preparation of metrics and to manage and improve impacts on climate change based on deadlines and exemptions for companies with <750 employees	Section 5.1
E1 climate change	E 1.2 Policies related to climate change mitigation and adaptation	See Disclosure Requirements E1.1	Section 5.1
E1 climate change	E 1.3 Actions and resources in relation to climate change policies	See Disclosure Requirements E1.1	Section 5.1
E1 climate change	E 1.4 Targets related to climate change mitigation and adaptation	See Disclosure requirements E1.2	Section 5.1
E1 climate change	E 1.5 Energy consumption and mix	See Disclosure requirements E1.3	Section 5.1
E1 climate change	E 1.6 Gross Scopes 1,2,3 and Total GHG emissions	See Disclosure requirements E1.4	Section 5.1
E1 climate change	E 1.7 GHG removals and GHG mitigation projects financed through carbon credits	See Disclosure requirements E1.5	Section 5.1
E1 climate change	E 1.8 Internal carbon pricing	Not applicable to our operations	Section 5.1
E1 climate change	E 1.9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Section 5.1
E2 Pollution	E 2.1 Policies related to pollution	Integrated into our corporate environmental policy	Section 5.2
E2 Pollution	E 2.2 Actions and resources related to pollution	We assessed material aspects of comparable operations and supply chains	Section 5.2
E2 Pollution	E 2.3 Targets related to pollution	Not applicable to our operations	Section 5.2
E2 Pollution	E 2.4 Pollution of air, water and soil	Not applicable to our operations	Section 5.2

E2 Pollution	E 2.5 Substances of concern and substances of very high concern	We do not use substances listed in ESRS E2.5	Section 5.2
E2 Pollution	E 2.6 Anticipated financial effects from material pollution-related impacts, risks and opportunities	We assessed material aspects of comparable operations and supply chains	Section 5.2
E3 water and marine resources	E 3.1 Policies related to water and marine resources	Integrated into our corporate environmental policy	Section 5.3
E3 water and marine resources	E 3.2 Actions and resources related to water and marine resources	Not applicable to our operations	Section 5.3
E3 water and marine resources	E 3.3 Targets related to water and marine resources	Not applicable to our operations	Section 5.3
E3 water and marine resources	E 3.4 Water consumption	Not applicable to our operations	Section 5.3
E3 water and marine resources	E 3.5 Anticipated financial effects from material water and marine resources-related impacts, risks and opportunities	Not applicable to our operations	Section 5.3
E4 biodiversity and ecosystems	E 4.1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Not applicable to our operations	Section 5.4
E4 biodiversity and ecosystems	E 4.2 Policies related to biodiversity and ecosystem	Not applicable to our operations	Section 5.4
E4 biodiversity and ecosystems	E 4.3 Actions and resources related to biodiversity and ecosystems	Not applicable to our operations	Section 5.4
E4 biodiversity and ecosystems	E 4.4 Targets related to biodiversity and ecosystem	Not applicable to our operations	Section 5.4
E4 biodiversity and ecosystems	E 4.5 Impact metrics related to biodiversity and ecosystems change	Not applicable to our operations	Section 5.4
E4 biodiversity and ecosystems	E 4.6 Anticipated financial effects from material biodiversity and ecosystem-related impacts, risks and opportunities	Not applicable to our operations	Section 5.4

E5 Resource use and circular economy	E 5.1 Policies related to resource use and circular economy	Integrated into our corporate environmental policy	Section 5.5
E5 Resource use and circular economy	E 5.2 Actions and resources related to resource use and circular economy	We assessed material aspects of comparable operations and supply chains	Section 5.5
E5 Resource use and circular economy	E 5.3 Targets related to resource use and circular economy	We assessed material aspects of comparable operations and supply chains	Section 5.5
E5 Resource use and circular economy	E 5.4 Resource inflows	As regards the water resource, see Disclosure requirement E 3.4	Section 5.5
E5 Resource use and circular economy	E 5.5 Resource outflows		Section 5.5
E5 Resource use and circular economy	E 5.6 Anticipated financial effects from material resource use and circular economy-related, risks and opportunities	We assessed material aspects of comparable operations and supply chains	Section 5.5
S1 Own workforce	S 1.1 Policies related to own workforce	Defined in specific SA8000 corporate policy	Section 6.1
S1 Own workforce	S 1.2 Processes for engaging with own workforce and workers representatives about impacts	Feedback has been requested in SA8000 policy procedures on how to complete questionnaires to define material topics	Section 6.1
S1 Own workforce	S 1.3 Processes to remediate negative impacts and channels for own workforce to raise concerns	Defined in the Health Safety Management system policy ISO45001	Section 6.1
S1 Own workforce	S 1.4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Please note that specific tools/bodies/facilities are largely available for reporting/complaints	Section 6.1
S1 Own workforce	S 1.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Defined downstream of specific section	Section 6.1

S1 Own workforce	S 1.6 Characteristics of the undertaking's employees	Defined in specific section	Section 6.1
S1 Own workforce	S 1.7 Characteristics of non employees in the undertaking's own workforce	Defined in specific section	Section 6.1
S1 Own workforce	S 1.8 Collective bargaining coverage and social dialogue	Defined in specific section	Section 6.1
S1 Own workforce	S 1.9 Diversity metrics	Defined in specific section	Section 6.1
S1 Own workforce	S 1.10 Adequate wages	Defined in specific section	Section 6.1
S1 Own workforce	S 1.11 Social protection	Defined in specific section	Section 6.1
S1 Own workforce	S 1.12 Persons with disabilities	Defined in specific section	Section 6.1
S1 Own workforce	S 1.13 Training and skills development metrics	Defined in specific section	Section 6.1
S1 Own workforce	S 1.14 Health and safety metrics	Defined in specific section	Section 6.1
S1 Own workforce	S 1.15 Work-life balance metrics	Defined in specific section	Section 6.1
S1 Own workforce	S 1.16 Remuneration metrics (pay gap and total remuneration)	Defined in specific section	Section 6.1
S1 Own workforce	S 1.17 Incidents, complaints and severe human rights impacts	Defined in specific section	Section 6.1
S2 workers in the value chain	S 2.1 Policies related to value chain workers	Section not defined as material, managed by the company for monitoring only	Section 6.2
S2 workers in the value chain	S 2.2 Processes for engaging with value chain workers about impacts	Section not defined as material, managed by the company for monitoring only	Section 6.2
S2 workers in the value chain	S 2.3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	Section not defined as material, managed by the company for monitoring only	Section 6.2

S2 workers in the value chain	S 2.4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Section not defined as material, managed by the company for monitoring only	Section 6.2
S2 workers in the value chain	S 2.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Section not defined as material, managed by the company for monitoring only	Section 6.2
S3 affected communities	S 3.1 Policies related to affected communities	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.3
S3 affected communities	S 3.2 Processes for engaging with affected communities about impacts	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.3
S3 affected communities	S 3.3 Processes to remediate negative impacts and channels for affected communities to raise concerns	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.3
S3 affected communities	S 3.4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.3

S3 affected communities	S 3.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.3
S4 consumers and end-users	S 4.1 Policies related to consumers and end-users	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.4
S4 consumers and end-users	S 4.2 Processes for engaging with consumers and end-users about impacts	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.4
S4 consumers and end-users	S 4.3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.4
S4 consumers and end-users	S 4.4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions	The Management considered that the company's operations did not have any negative impact in environmental and social terms. Therefore, there was no need to conduct any community engagement activity	Section 6.4
G1 Business conduct	G 1.1 Business conduct policies and corporate culture	Defined as per Legislative Decree 231	Section 7
G1 Business conduct	G 1.2 Management of relationships with suppliers	Suppliers are defined according to ESG requirements certified by our environmental management system	Section 7
G1 Business conduct	G 1.3 Prevention and detection of corruption and bribery	Defined as per Legislative Decree 231	Section 7

G1 Business conduct	G 1.4 Incidents of corruption or bribery	During 2024 there was no significant case of non-compliance with laws, regulations, bribery or fraud	Section 7
G1 Business conduct	G 1.5 Political influence and lobbying activities	No member of the Board of Directors has held or holds similar positions in the Public Administration	Section 7
G1 Business conduct	G 1.6 Payment practice	We assessed material aspects of comparable operations and supply chains	Section 7

For more information on this Report and our sustainability actions, please contact:

FREELAND S.r.l.

Via Verrazzano 4, 6, 8 - 50054 Fucecchio Firenze - Toscana - ITALY
+39 0571 244337 - info@freelandcalzature.it